CANADA MEDIA FUND

EXPERIMENTAL STREAM – WORKING GROUP

Date: November 17, 2022 – 1:30 – 4:30 PM (ET)

Virtual via Zoom

Introduction

In 2021, the CMF heard from over 1,000 different stakeholders on the changing industry and the CMF's role. This was published in the *[Spark Courage: What We Heard Report](#)*.

The industry agreed that the CMF plays and should continue to play a fundamental, unique role in the screen industries — to foster, finance and promote Canadian screen content and IP, made and owned by Canadians, and seen and experienced by Canadians — but that it should expand how it achieves this mandate to reflect the multi-platform, global nature of the industry.

The industry was also generally aligned on the need for change in the CMF's funding model. There was support across the consultation for the CMF to move towards a more flexible, content-centric, platform agnostic approach that will help Canadian producers, intellectual property (IP), creators and content succeed at home and in the global marketplace.

While some of the changes requested by the industry will only be possible with additional funding and less prescriptive requirements in the CMF's Contribution Agreement with Canadian Heritage, there are other elements the CMF has started to address in the immediate term and which will expand over time (e.g., growth and inclusion policies, slate-based funding in the Convergent Stream).

With the audio-visual industry emerging from years of disruption caused by the pandemic, the CMF recognizes the opportunity for growth and innovation for the Interactive Digital Media sector.

Based on the disruption taking place in the marketplace and the timeline for potential new funding (along with legislative reform), the CMF must straddle between sustaining existing industry supports – stretching the existing model as much as possible – and still laying the foundation for a new, more innovative model of content funding to ensure the CMF remains future-ready, and the industry continues to grow.

Working Groups on linear content took place early this Fall and the related Briefing Notes can be found [here](#).

Topics for Discussion:

A. 2023-2024 Programs
1. Production-stage Funding
2. Division of funding between different Experimental Stream Programs

B. Future Program Model – Non-Linear
1. Centering Growth and Inclusion
    a. Accountability in Content Creation and Narrative Positioning
    b. Programs and Initiatives
2. Environmental Responsibility and Sustainable Production
3. Building Capacity and Developing IP
4. International Approach
5. Transitional Elements towards a New Program Model
6. Definition of Canadian Content

A. <u>2023-2024 Programs</u>

1. <u>Production-stage Funding</u>

The Commercial Projects Program ("C2P") was created to reconcile the imbalance between the competing objectives of innovation and commercialization in the Experimental Stream. Despite the emphasis for potential commercial success in the C2P, there are no distinctions between the eligible content-types for that Program and the Innovation and Experimentation Program.

While the CMF believed that more commercial-focused types of projects (e.g., games) would find a natural home in the C2P, gaming content also still largely dominates applications in the Innovation and Experimentation Program.

For context, while Games have increased to 85% of 2021-2022 applications submitted to the C2P Program, they have also comprised 72% of applications submitted to the Innovation and Experimentation Program. Additionally, they made up 82% of applications to C2P and 84% Innovation and Experimentation Program in 2022-2023.

Finally, in the past 3 years (on average), 76% of the Experimental Stream budget has been provided to Games with a high of 77% in 2019-2020.

While the CMF recognizes that Canada's gaming sector "punches above its weight class" and wants to continue to devote resources to this sector, it also wants to ensure that the CMF funds interactive and immersive content-types that are not exclusively digital games.

- **In light of all of the above, should the CMF reconsider its current division of interactive production-stage funding in the Experimental Stream (Innovation vs. Commercial) and instead divide this portion of the Stream some other way?**

- **What else could the CMF consider to stimulate non-game IDM projects in successful applications to the CMF (e.g., evaluation factors that incentivize non-game content)?**

- **Should there be any cap on the amount of games content the CMF funds and if so, what would be a suitable allocated percentage for games content?**

- **Outside of managing the number of games the CMF supports, should the Experimental Stream be divided along other lines (e.g., size of project, size of CMF contribution, experience of the Applicant, etc.)?**

2. **Division of Experimental Stream Budget**

Since launching in 2010, the CMF's Experimental Stream has undergone a series of changes.

The Accelerator Partnership Program (A2P) was established in 2013-2014 to provide producers of digital media projects funded through the CMF's Experimental Stream with better access to mentorship, market and capital by connecting them with Canadian and foreign accelerators.

As noted above, the Commercial Projects Program was introduced in 2016-2017 to reconcile the imbalance between the competing objectives of innovation and commercialization in the Experimental Stream.

In 2019-2020, the CMF introduced the Conceptualization Program to support projects at the beginning of the creative process with the objective of giving a Project a better chance to succeed for future stages of financing. While this Program was oversubscribed in its first few years demand has most recently decreased when compared to other interactive Experimental Stream Programs (Prototyping, Innovation, C2P, etc.).

The CMF strives to find a balance in eligibility requirements to encourage a diversity of Applicants and Applications in all Programs and the potential for oversubscription. In addition, not all Applicants need support at every stage of a project.

Appendix A (attached) includes data outlining the number of applications, funded projects and funding.

- **What should the CMF consider in the allocation of Experimental Stream (interactive) Program Budget?**

- **Are there trends in the IDM sector that reflect a need to shift Program Budget allocations to better support Experimental Stream projects in different phases?**

B. <u>Future Program Model – Non-Linear</u>

1. <u>Centering Growth and Inclusion</u>

With additional support from the Government of Canada, the CMF launched its [Equity and Inclusion Strategy](#) in early 2021. This additional funding of $20M per year for three years (presently scheduled to conclude in 2023-2024) is intended to support equity- and sovereignty-seeking communities across the country. Since the launch of the strategy, the CMF has undertaken a number of initiatives including expanding and establishing funding Programs and incentives for targeted equity- and sovereignty-seeking communities, updating its policies and Program Guidelines, supporting sector development initiatives, increasing accessibility support for persons with disabilities and expanding its data collection efforts.

The CMF recognizes that creators from equity- and sovereignty-seeking communities have experienced and continue to experience barriers to access funding and that these barriers have led to (i) a significant lack of diversity in Canadian storytelling, (ii) a significant lack of meaningful and varied representation (including authentic storytelling/authorship) both on and off screen, and (iii) a lack of IP ownership and company development.

a. <u>Accountability in Content Creation and Narrative Positioning</u>

It is the CMF's role to encourage greater accountability, transparency, and community engagement as it relates to positionality (the way one's context or identity influences their perspective on the world). The CMF's 2021-2023 Equity and Inclusion Strategy states that:

> *"The CMF's mandate to 'enable a diversity of voices' includes a responsibility to widen support to Canada's talent and creators from underrepresented communities in order to amplify their voices, stories, and perspectives through content creation and exploitation."*[1]

Additionally, as the inclusion and participation of stakeholders from equity- and sovereignty-seeking communities grows across the industry, there are important questions concerning accountability and authorship as it relates to (i) content creation, (ii) responsible community engagement, and (iii) equitable access that need to be considered.

To that end, the CMF is considering the inclusion of a new policy and process which may require all Applicants to outline their motivation and interest in their subject matter, as well as their relationship to the content and how they will responsibly engage with the related community(ies).

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[1]Please find CMF's Equity and Inclusion Strategy on the [CMF's website.](#)

- **In the Convergent Stream Pilot Program for Racialized Creators and Indigenous Stream, the CMF has required Applicants to complete a Producer's Statement[2]. How should the CMF evolve this application document and collect more information on Narrative Positioning for Applicants and creative teams in <u>all</u> CMF Programs including Experimental Stream Programs?**
  - **Will this approach provide greater accountability in content creation?**
  - **What other mechanisms might serve our purpose in increasing transparency and accountability?**
- **Considering the urgent need to ensure that all communities and vulnerable groups in Canada are depicted responsibly and respectfully, what mechanisms should the CMF consider for its stakeholders to ensure the highest standards in representation and care through all phases of content creation (from conceptualization / prototyping / development through distribution)?**
  - **How can we encourage the adoption of greater accountability practices within the CMF and the larger industry?**
  - **How can we effectively measure adherence to accountability practices?**

b. <u>Programs and Initiatives</u>

Through its new voluntary self-identification system, Persona-ID, the CMF is working to measure the demographic representation and participation of Applicants and their related key creatives. At the same time, the CMF, primarily through the work of the Growth and Inclusion team, is increasing collaborations and partnerships and supporting research to better understand the needs of many equity- and sovereignty-seeking communities. Through ongoing consultations, the CMF continues to engage with all industry stakeholders to actively inform the CMF's future programming and policies.

By increasing access which supports equity- and sovereignty- seeking communities to create content and share their own stories, audiences here and abroad will also have a chance to appreciate, celebrate and embrace Canada's rich diversity and creativity.

The CMF will continue to propose measures to create points of access and trajectories of success within the industry for all creators. The CMF will also establish measures and goals in all Programs to ensure more accountability and transparency in access to funding, content creation and representation and impact of the Programs. The CMF will continue to find solutions to grow collaborations between different parts of the industry and create partnerships and shared solutions to encourage growth and inclusion in the audio-visual industry.

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[2]In 2021-2022, the CMF introduced its Producer Statement as one of the evaluation criteria for the Indigenous Program and Pilot Program for Racialized Communities. Applicants are asked to disclose the Creative and Production Teams' specific connection to the material and how well suited they are to tell the story or explore the subject matter of the project. - https://cmf-fmc.ca/document/producer-statement-form/

- **In 2017-2018, the CMF introduced gender parity criteria as part of its evaluation criteria of Experimental Stream programs and in 2021-2022, the CMF introduced evaluation criteria and Program budget carve-outs to incentivize inclusion and diversity.**

  Beyond these existing initiatives, what additional measures should the CMF consider to foster increased access and long-term stability for creators from equity- and sovereignty-seeking communities?

  Should the CMF revisit any gender parity or diversity and inclusion measures that are currently in place?

- **With its self-identification system Persona-ID, the CMF has committed to a data-collection effort in order to represent all of Canada and ensure its polices, Programs and strategies – including its Equity and Inclusion Strategy – are data-driven. Moving forward, how can the CMF support encourage more studios and individuals to create their profiles and include them in the applications? And what kind of data reporting would be useful for the industry to improve representation?**

- **In 2021-22, the CMF launched its [Accessibility Support](#) initiative which offers financial assistance for individuals who identify as Persons with disabilities in overcoming possible barriers during the application process to the CMF's funding Programs. What other measures should the CMF consider in order to increase support for persons with disabilities in content creation and the industry?**

2. **Environmental Responsibility and Sustainable Production**

Canada and 195 other parties signed the Paris Accord in December of 2015. This forms part of Canada's commitment to reducing GHG emissions and supporting an urgent global need to combat climate change. The audio-visual industry must also do its part.

In 2021, the CMF began encouraging all Applicants to implement more environmentally-sustainable practices and cleaner technologies – and reduce the use of unsustainable resources – in the development, production and exploitation of their Projects.

- **What tools is the IDM sector using to measure and establish policies and practices to reduce its environmental footprint?**

- **How can the CMF support the activities of stakeholders in advancing more environmentally sustainable practices?**

- **What costs should be considered and included as an eligible cost in a project's budget in order to help to shift audio-visual content to more sustainable practices?**

- **How can the CMF support collaboration and industry transformation to lower carbon footprints, reduce GHGs and shift to more sustainable models?**

3. Building Capacity and Developing IP

The CMF provides a variety of IP-development programs and partnerships to advance the creation of Canadian IP. In the Convergent Stream, early-stage IP is supported through Pre-Development and Development Programs. In the Experimental Stream, early-stage IP is supported through Conceptualization and Prototyping Programs. Additionally, over the last few years, the CMF has piloted alternative IP-development programs in order to support more flexible early-stage IP development in the Convergent Stream including a Slate Development Pilot Program.

As content production is increasingly globalized and developed for larger markets, new partners and opportunities are emerging. Additionally, producers and creators are told that projects must be more fully developed prior to pitching, even within the Canadian market.

- **How can the CMF better support conceptualization/early-stage development?**
- **Should the CMF shift more of its resources to early-stage funding?**
- **What other ways can the CMF support IP development and capacity building for Canadian IP?**
- **Conceptualization/Prototyping/Early-stage Development is a very risky stage of content support, how can the CMF measure success of these initiatives? Should a review of all development programs be considered to meet the needs of the industry to result in greater impact?**

4. International Approach

The CMF promotes excellent Canadian content and creators in Canada and around the world. Through support for events and initiatives and a number of strategic partnerships and Programs, the CMF support taking Canadian stories and IP to global markets and foster international opportunities. Many of these initiatives have been established with countries with existing treaties and agreements with Canada and with established local audiovisual industries and funds, though treaties very rarely apply to IDM projects.

As content production is increasingly globalized and opportunities to reach new markets increases, the CMF is considering how to enable access to global markets, attract new sources of investment to Canadian audiovisual projects, and be more inclusive in the opportunities that the CMF cultivates.

- **What are key markets that the CMF should be targeting in the next few years?**
- **How should the CMF incentivize international sales and opportunities? (for example: Incentives? Matching funds? By target markets?)**
- **How can the CMF help to attract investment in Canadian projects?**

- **Are there more inclusive ways that the CMF can support access to global markets?**

- **At what stage does the industry need most support to access international opportunities? How do these opportunities differ?**

5. **Transitional Elements towards a New Program Model**

In the Spark Courage Report, linked above, CMF has heard and signaled a future shift to a more platform-agnostic and content-centric model. This reflects the work of the industry when developing IP for multiple platforms and for audiences who are increasingly consuming content in different ways on different platforms.

- **As the CMF transitions to a new platform-agnostic and content-centric approach, what needs to be considered?**

- **What is a realistic timeline for a shift in Programs and model so that the industry can adapt and embrace new opportunities? How much notice does the industry need to adapt to any significant program changes?**

- **Are there specific issues to consider relative to how projects are ideated, developed and created in the IDM sector?**

6. **Definition of Canadian Content**

There is often industry debate on whether interactive digital media is a cultural product or a commodity. As a funder of content, and for the purposes of this consultation, we seek input on the cultural impact of digital media as content.

In September 2022[3], the CMF opened a discourse for the industry on what should be considered in future definitions of Canadian Content. In addition to panels and opinion pieces, the CMF would like to hear from the industry regarding themes, questions and other issues that should be considered.

This conversation has been sparked by Bill C-11 and the looming modernization of the Broadcasting Act. In the Convergent Stream, the CMF applies similar eligibility from the existing points systems used by CAVCO and the CRTC. In the Experimental Stream, CMF considers Canadian companies and expenditures for Canadian costs as the determining factors for eligibility.[4]

We are seeking feedback from stakeholders to help inform an industry survey planned in early 2023.

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[3] https://cmf-fmc.ca/news/the-cmf-sparks-an-industry-wide-conversation-about-canadian-content/
[4] See section 3 - https://cmf-fmc.ca/document/innovation-experimentation-guidelines/

- **How would a Canadian Content definition apply more broadly to Experimental Stream projects?**

- **What different elements should form part of a new definition:**

  - **Key personnel involved in the project and how that key personnel is calculated?**

  - **Ownership and control of IP?**

  - **Minimum expenditures on Canadian labour or other costs?**

  - **Should content made available to Canadians only by a Canadian-owned publisher/platform/service be considered Canadian?**

  - **Or should availability to Canadian audiences by foreign-owned publishers/platforms/services also be considered Canadian?**

- **How could a new definition contribute to a more inclusive industry and a greater diversity of content?**

- **How would the definition apply to digital-first creators or production?**

- **How would the definition impact international coproductions?**

Table 1 - Interactive Experimental Stream by Funding

$ K	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Innovation & Experimentation					
Original Program Budget	19,949	19,100	18,318	13,349	15,000
Total Commitments	21,493	19,397	18,318	14,991	14,543
Total Demand	67,349	54,955	70,276	63,972	55,081
Commercial Projects					
Original Program Budget	8,001	7,200	8,180	13,348	15,000
Total Commitments	4,534	6,567	8,180	12,636	14,494
Total Demand	9,819	12,200	31,608	41,329	43,900
Prototyping					
Original Program Budget	5,700	7,500	8,568	7,600	8,291
Total Commitments	7,068	7,480	8,568	8,997	8,477
Total Demand	40,727	33,220	25,936	35,533	33,888
Conceptualization					
Original Program Budget			484	810	1,310
Total Commitments			484	819	1,020
Accelerator					
Original Program Budget	600	600	510	300	300
Total Commitments	450	480	300	270	450

Table 2 - Interactive Experimental Stream by Number of Applications

# of applications	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Innovation & Experimentation					
Total Demand	113	90	90	95	74
Total Funded	32	28	20	22	17
Commercial Projects					
Total Demand	25	19	37	49	52
Total Funded	9	9	9	14	15
Prototyping					
Total Demand	195	183	153	203	188
Total Funded	32	41	45	45	41
Conceptualization					
Total Funded			41	56	71
Accelerator					
Total Funded	15	16	10	9	15

Note: Conceptualization and Accelerator Programs are first-come, first-served. The programs are closed when (if) the funds are exhausted, but funds may have been transferred from another undersubscribed program to fund the final application.

Table 3 - Interactive Experimental Stream by funded category

# of production projects	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Game	28	26	23	26	26
Rich interactive media / Video	8	8	1	7	2
Software	5	3	5	3	4
Total	**41**	**37**	**29**	**36**	**32**