



Canada Media Fund
Fonds des médias du Canada



Summary of Guideline Changes 2017-2018



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 **SPEAKER**

Nathalie Clermont
Director of Program Management

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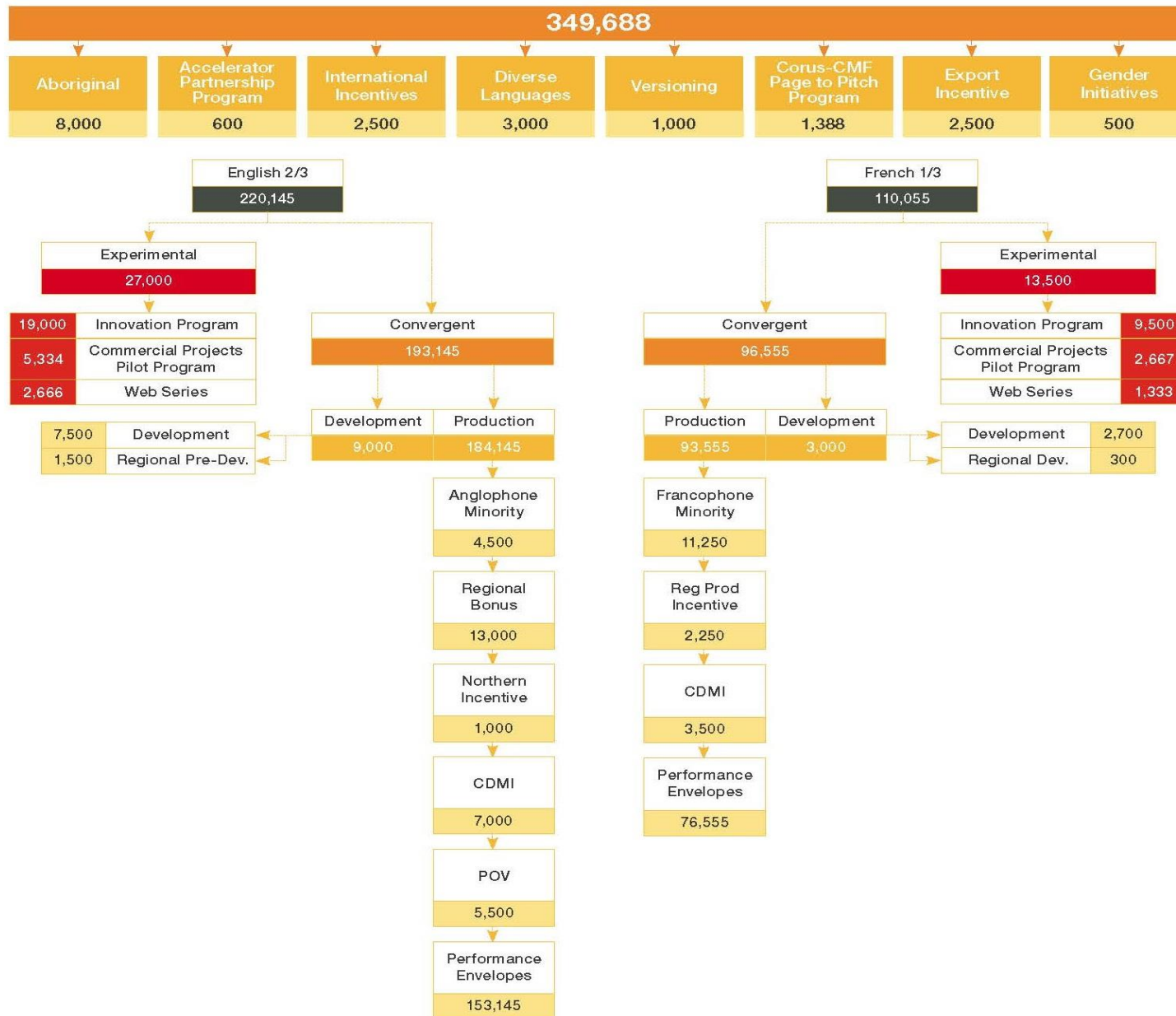
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AGENDA

1. Introduction
2. Program Budget
3. Gender Initiatives
4. Changes to the Experimental Stream
5. Changes to the Convergent Stream
6. Questions

PROGRAM BUDGET – 2017-2018





■ GENDER INITIATIVES

New policies that aim to increase the representation of women in key roles on CMF-funded productions.

These policies fall under five main headings:

Administration

- Building on adjustments to its application process introduced in 2016-2017, in 2017-2018 the CMF will continue to **track gender self-declaration**.

Selection

- The CMF will strive to ensure that all juries conducted through any of the CMF's Convergent or Experimental Selective programs will have **balanced representation** (e.g., between 40% and 60%) of women and men.



■ GENDER INITIATIVES

Third-party Support

- The CMF will develop partnership opportunities with unions, guilds and related industry organizations to facilitate additional **professional access and opportunities for women** in Canada's screen-based industries which complement the CMF's gender initiatives.

Incentives

- The CMF will designate **three (3) points** in all of its Convergent and Experimental Selective programs where at least 40% of the enumerated key positions are held by women.



■ GENDER INITIATIVES

Requirements

- Broadcasters will be required to direct at least fifteen percent (15%) of their respective Performance and Development Envelope Allocation dollars (as applicable) to Eligible Projects where, of all the enumerated cumulative Producer, Director and Writer positions on a TV Component, at least 40% of the total number of positions are held by women. It is important to note that this minimum obligation will progressively increase each year:
 - In 2018-2019, Broadcasters will be required to commit a minimum of twenty-five percent (25%) of their Envelope allocations to such projects; and
 - In 2019-2020, Broadcasters will be required to commit a minimum of thirty-five percent (35%) of their Envelope allocations to such projects.



■ GENDER INITIATIVES

Targets

- Beyond the minimum fifteen percent (15%) noted above, the CMF's **goal for 2017-2018** is to devote **twenty-five percent (25%)** of all **Performance and Development Envelope Allocation dollars** (as applicable) towards women-led productions. In light of both this goal and the annual progressive increases to the required percentage, the CMF encourages Broadcasters to allot more than the required minimum so that the shift to equal representation in Canada's screen-based industries can be accelerated.
 - The CMF's **goal** for 2018-2019 is to devote **thirty-five percent (35%)** of all Performance Envelope Allocation dollars towards women-led productions; and
 - The CMF's **goal** for 2019-2020 is to devote **fifty percent (50%)** of all Performance Envelope Allocation dollars towards women-led productions.



■ EXPERIMENTAL STREAM

INNOVATION, COMMERCIAL PROJECTS PILOT PROGRAM AND WEB SERIES PILOT PROGRAM

Evaluation Grid Changes (Gender)

- Previously, the Team section in all Experimental Programs' respective Evaluation Grids placed weight related primarily to the experience, achievements, cohesion and complementarity of the studio and/or team in the evaluation of projects.
- Now, **3 points will be reserved in the Team evaluation criteria** for projects where at least 40% of the cumulative Producer, Executive Producer, Director (including Technical Director, Creative Director, Art Director, and Interactive Director), Senior Programmer, Designer, and Project Leader positions are held by women.



■ EXPERIMENTAL STREAM

INNOVATION AND COMMERCIAL PROJECTS PILOT PROGRAM ("C3P")

Evaluation Grid Changes (Differentiation)

- Previously, despite placing a different emphasis on 'innovation' and 'commercial potential' in their respective programs, there was significant overlap in the Experimental Stream's Innovation Program and C3P Evaluation Grids.
- Now, the evaluation grids will be further differentiated to reflect each program's unique objective. Specifically, there will be a **stronger focus and weight placed on the commercial potential of projects applying through C3P.**



■ EXPERIMENTAL STREAM

INNOVATION PROGRAM

Separate Evaluation Grid - Marketing

- Previously, evaluation criteria for Development, Production and Marketing funding were all contained in a single Evaluation Grid.
- Now, only Development and Production will share an Evaluation Grid and **Marketing** will have **its own, separate Evaluation Grid**.



■ EXPERIMENTAL STREAM

WEB SERIES PILOT PROGRAM

Eligibility

- Previously, Eligible Projects under this Program were required to meet the respective definition of either of the CMF-supported genres of Drama or Children's and Youth.
- Now, Eligible Projects under this Program are required to meet the respective definition of any of the CMF-supported genres of **Drama**, **Children's and Youth** or **Documentary**.



■ EXPERIMENTAL STREAM

ACCELERATOR PARTNERSHIP PROGRAM (“A2P”)

Revised list of approved business accelerators

- The list of **business accelerators approved** to provide acceleration services through this Program has been **revised**. Eligibility of other business accelerators will be evaluated on a case-by-case basis.



■ CONVERGENT STREAM

PRODUCTION PROGRAMS

Other Rights

- Beginning in 2017-2018, the CMF will add advertising video on demand (“**AVOD**”) and subscription video on demand (“**SVOD**”) to its list of enumerated Other Rights. For clarity, where the CMF provides an equity investment on Television Component, these Other Rights may only be acquired through a reasonable, fair-market value amount or through a revenue sharing arrangement.



■ CONVERGENT STREAM

PRODUCTION PROGRAMS

Other Rights

- Previously, section 3.2.TV.5.d noted that the Canadian Broadcast Right (or Canadian VOD Right) could not include an ownership, profit, repayment or recoupment position in the Eligible Project. Further, section 3.2.TV.5.3 listed a number of enumerated Other Rights the Broadcaster could acquire or restrict the Applicant from exploiting.
- Now, in order to provide clarity to the spirit and intent of its programs and policies, “**Other Rights**” will be renamed “**Other *Exploitation Rights***” in the CMF Guidelines. Further, section 3.2.TV.5.d will now specify that Other Exploitation Rights, regardless of whether the CMF is an equity participant in the project, shall **only apply to the various subsidiary and ancillary exploitation rights of a project** and not merely consist of additional access to revenue or recoupment to the Canadian Broadcast Right, VOD Right or Other Exploitation Rights themselves. For clarity, Broadcasters may only recoup on exploitation revenues if they are making an investment in a project.



■ CONVERGENT STREAM

PRODUCTION PROGRAMS

Digital Media

- Beginning in 2017-2018, the CMF will clarify that eligible **Digital Media Components** must be associated with a **Television Component** that is funded by the CMF in the same fiscal year.



■ CONVERGENT STREAM

PERFORMANCE ENVELOPE PROGRAMS

Gender Parity Obligations

- Beginning in 2017-2018, Broadcasters will be required to direct at least fifteen percent (15%) of their respective Performance Envelope Allocation dollars to Eligible Projects where, of all the cumulative Producer, Director and Writer positions on a TV Component, 40% of the total number of positions are held by women. If Broadcasters do not meet this requirement, the CMF will impose a dollar-for-dollar penalty during the next year's PE Allocation calculations. Further, this minimum obligation will progressively increase each year:
 - In 2018-2019, Broadcasters will be required to commit a minimum of twenty-five percent (25%) of their Envelope allocations to such projects.
 - In 2019-2020, Broadcasters will be required to commit a minimum of thirty-five percent (35%) of their Envelope allocations to such projects.



■ CONVERGENT STREAM

PERFORMANCE ENVELOPE PROGRAMS

License Fee Thresholds (“LFT”)

- Beginning in 2017-2018, the following changes to LFT’s will be implemented:
 - The “*English Documentary (all projects, excluding feature-length, \$750K/hr or more)*” category will be merged with the “*English Documentary (all projects, excluding feature-length, \$400K/hr to \$750K/hr)*” and the \$750K/hr cap will be removed.
 - The “*French Drama, Mini-series*” LFT category will be merged with all other LFT’s in French Drama and the mini-series exclusion will be removed.
 - The “*French Documentary (all projects, excluding feature-length, \$750K/hr or more)*” category will be merged with the “*French Documentary (all projects, excluding feature-length, \$400K/hr to \$750K/hr)*” and the \$750K/hr cap will be removed.



■ CONVERGENT STREAM

PERFORMANCE ENVELOPE PROGRAMS

Applicable Language Category

- Previously, the Guidelines did not differentiate between live-action or animated productions when determining the original language of production for a Television Component.
- Now, the previous rules shall only apply to live-action Television Components and for clarification, the **original language of production for animated productions will be determined by which individual broadcaster commits the highest Eligible License Fee to the project.**



■ CONVERGENT STREAM

CONVERGENT DIGITAL MEDIA INCENTIVE (CDMI)

Changing the method of project selection from first-come/first-served to a selective process

- Previously, Eligible Projects applying to the Convergent Digital Media Incentive were chosen on a first-come/first-served basis.
- Now, Eligible Projects applying to the CDMI will be chosen through a **selective process** according to criteria listed in the program's Evaluation Grid.



■ CONVERGENT STREAM

ENGLISH REGIONAL PRODUCTION BONUS (ERP)

Exception to provincial caps

- Previously, the ERP was awarded to Eligible Projects on a first-come, first-served basis until resources for the ERP were depleted or until the applicable application deadline, whichever comes first. Further, no province could access more than 35% of the allocation for the ERP.
- Now, while the same fundamental rule still applies, **Applicants that are awarded funding through either the English POV Program or Aboriginal Program** (provided the majority of the project's original language of production is in English) – due to the application dates of those specific Programs – **will be permitted to access the ERP even if the cap of the Applicant's respective province has already been reached.**



■ CONVERGENT STREAM

SELECTIVE PROGRAMS

Evaluation Grid (Gender initiative)

- Previously, 10 points were designated to evaluating the track record and experience of the production team under the “Production Team” assessment criterion and 10 points were designated to evaluating the track record and experience of the creative team under the “Creative Elements” assessment criterion.



■ CONVERGENT STREAM

SELECTIVE PROGRAMS

Evaluation Grid (Gender initiative)

- Now,
 - The “Production Team” assessment criterion has been **renamed “Team”** and **expanded to include both the Production and Creative Teams**.
 - **17 points** are designated to evaluate the **track record and experience** of the both the production and creative teams.
 - **3 points** are designated to whether at least **40%** of the cumulative positions on the Production and Creative Teams on the Television Component are **held by women**.
 - The weight of the “Creative Elements” assessment criterion has been decreased from 40 points to 30 points to account for the repositioning of the creative team evaluation under the “Team” assessment criterion.



■ CONVERGENT STREAM

ABORIGINAL PROGRAM

Indigenous representation in the selective process

- Beginning in 2017-2018, the CMF will ensure that the selection committee responsible for evaluating the creative components of projects in the CMF's Aboriginal Program will be **individuals from Canada's Indigenous communities**.

Introduction of the Predevelopment Eligible Cost Matrix

- Previously, the Maximum Contribution Eligible Projects seeking predevelopment funding could receive was the lesser of \$15,000 or 75% of the project's Eligible Costs.
- Now, the CMF may contribute financially to an Eligible Project in predevelopment according to **fixed allowable Eligible Costs** designated for specific predevelopment activities which are set out in the Guidelines.



■ CONVERGENT STREAM

FRANCOPHONE MINORITY PROGRAM

Adjustment to the In-house and Broadcaster-Affiliated Programming Caps

- Previously, a maximum of 7.5% of documentary funds and 15% of funds for all other genres were allocated to Affiliated Programming and In-house Programming in the Francophone Minority Program.
- Now, a **maximum of 12% of funds for all genres** in the Francophone Minority Program may be allocated to Affiliated Programming and In-house Programming.



■ CONVERGENT STREAM

NORTHERN INCENTIVE

Expansion of eligible regions

- Previously, only Projects and Applicants from Nunavut, the Yukon and the Northwest Territories were eligible in the Northern Incentive.
- Now, Projects and Applicants from Nunavik will be eligible to apply to the Northern Incentive.



■ CONVERGENT STREAM

DEVELOPMENT PROGRAM

Gender Parity Obligations

- Beginning in 2017-2018, Broadcasters will be required to direct at least fifteen percent (15%) of their respective Development Envelope Allocation dollars to Eligible Projects where, of all the cumulative Producer, Director and Writer positions on a TV Component, 40% of the total number of positions are held by women. If Broadcasters do not meet this requirement, the CMF will impose a dollar-for-dollar penalty during the next year's Development Allocation calculations. Further, this minimum obligation will progressively increase each year:
 - In 2018-2019, Broadcasters will be required to commit a minimum of twenty-five percent (25%) of their Envelope allocations to such projects.
 - In 2019-2020, Broadcasters will be required to commit a minimum of thirty-five percent (35%) of their Envelope allocations to such projects.



■ CONVERGENT STREAM

DEVELOPMENT PROGRAM

Introduction of the Predevelopment Eligible Cost Matrix

- Previously, the Maximum Contribution Eligible Projects seeking predevelopment funding could receive was the lesser of \$15,000 (or \$10,000 in the French market) or 75% of the project's Eligible Costs.
- Now, the CMF may contribute financially to an Eligible Project in predevelopment according to **fixed allowable Eligible Costs** designated for specific predevelopment activities which are set out in the Guidelines.

Predevelopment Eligible Development Fee

- Previously, projects required a letter of interest from a Canadian broadcaster in order to be eligible for predevelopment funding.
- Now, all applications for predevelopment financing must include a letter of interest **from a Canadian broadcaster with a CMF Development Envelope allocation.**



■ CONVERGENT STREAM

DEVELOPMENT PROGRAM

Elimination of the Broadcaster Convergence Requirement

- Previously, there was a “Convergence Requirement” which obligated broadcasters to either spend 60% of their respective Development Envelope allocations on projects with a “rich and substantial” DM Component, or alternatively, have a minimum of 60% of their projects include a DM Component which meets the CMF’s standard for “value-added” or “rich and substantial” content as defined under section 3.2 DM of the Guidelines.
- Now, the CMF has **removed the “Convergence Requirement” in its Development Programs** and Broadcasters will no longer be required to meet either 60% obligation.



■ CONVERGENT STREAM

DEVELOPMENT, ABORIGINAL AND FRANCOPHONE MINORITY PROGRAM

Convergence Requirement for Development funding

- Previously, projects were required to be convergent, meaning they had to have a Television Component and one or more Digital Media Components, VOD presentation of the Television Component, digital distribution of the Television Component, or any combination of these three to be eligible for development funding.
- Now, TV Components will **no longer be required to have an accompanying convergent platform**. Therefore, Applicants can apply with either a (a) TV Component; or (b) combined TV and DM Component(s).



■ CONVERGENT STREAM

DEVELOPMENT, ABORIGINAL AND FRANCOPHONE MINORITY PROGRAM

Distinction between “value-added” and “rich and substantial” DM Components

- Previously, “rich and substantial” DM Components were submitted through a separate application and “value-added” DM Components (i.e., with budget under \$10K) were submitted with the Television Component’s application and budget.
- Now, there will be **no distinction between “value-added” and “rich and substantial”** DM Components when applying for **development** financing and all DM Components (if applicable) will be submitted with the Television Component’s application and budget.



■ CONVERGENT STREAM

DEVELOPMENT, ABORIGINAL AND FRANCOPHONE MINORITY PROGRAM

DM Component's Eligible Costs, Maximum Contribution and Development Fee Threshold

- Previously, “rich and substantial” DM Components had distinct Maximum Contribution amounts and Development Fee Thresholds and the Development Fee Threshold and Maximum Contribution amounts for “value-added” DM Components were calculated on the combined Eligible Costs of the Television and DM Component.
- Now, **all DM Components will be subject to the “combined model”** previously only reserved for “value-added” DM Components and **all calculations** (e.g., Eligible Costs, Development Fee Threshold and Maximum Contribution) **will be done on the combined Television Component and DM Component expenses.**



■ CONVERGENT STREAM

APPENDIX B

Introduction of Chapter 8 – Broadcaster Business Policy

- Beginning in 2017-2018, the CMF will introduce another chapter to its Appendix B Business Policies entitled “Broadcaster Business Policy”. This chapter will include the following:
 - The “**Broadcaster in Financial Difficulty**” policy will migrate from Appendix C of the Performance Envelope Manual to the Broadcaster Policy chapter.
 - The CMF will introduce additional obligations requiring that **Broadcasters submit their most recent audited financial statements to the CMF** for review on an annual basis and may require a Broadcaster to submit its most recent quarterly financial statements to the CMF for review at any time.
 - The CMF will now require that Broadcasters **pay at least 20%** of a Television Component’s Eligible License Fee **by the commencement of principal photography** and **no more than 15%** of the Television Component’s Eligible License Fee **after final delivery** of the Television Component.



■ SUBMITTING AN APPLICATION

All remaining programs will migrate from eTelefilm to
Dialogue



QUESTIONS

Send us an **email** at info@cmf-fmc.ca
or **contact your analyst.**



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Canada Media Fund

416.214.4426

info@cmf-fmc.ca

cmf-fmc.ca



@CMF_FMC

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