



# EASTERN CAPE FILM INVESTMENT FUND(ECFIF)

## GUIDELINES

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[www.ecdc.co.za](http://www.ecdc.co.za)

## **1. INTRODUCTION**

Applicants are requested to read through the guidelines to ensure that they understand the objectives of the film fund and whether their application meets the requirements and comply with the general conditions. Failure to comply with the requirements & conditions will result in automatic disqualification. The ECDC will consider applications Biannually basis and subject to budget availability. The opening and closing dates will be published on ECDC social media platforms on a biannually basis.

The Eastern Cape Development Corporation (ECDC) realizes the investment promotion potential value of promoting the Eastern Cape as a destination for hosting Feature Films and TV Series. The breath taking film locations that the province possesses makes it to a destination that has not been explored previously.

These guidelines are targeted at Production Companies and Channels that are considering locating their projects in the Eastern Cape, with the intention to promote investments, jobs and support value chains for SMMEs.

These guidelines are meant to guide established production companies who are looking at securing completion funding in order to locate their productions in the Eastern Cape.

## **2. OBJECTIVES OF THE EC FILM INVESTMENT AND TELEVISION FUND**

- 2.1. To provide investment funding to support commercially viable and feasible film and television productions in the Eastern Cape.
- 2.2. To develop the film industry value chain in order to realize continuous investments, job creation and skills development within the Eastern Cape.
- 2.3. To establish the Eastern Cape as a preferred destination for film and television production.

## **3. PURPOSE OF THE GUIDELINE**

- 3.1. The purpose of this document is to detail the guidelines of the EC Film and Television Investment Fund.
- 3.2. The guidelines set out in this document are intended to enable production companies to present their applications to the ECDC and provide a framework for the ECDC to evaluate such applications.
- 3.3. The granting of an investment or approval of the application will only be for production companies that meet the objectives and conditions as set out within these guidelines.
- 3.4. To qualify for the investment, applicants have to receive formal approval from the ECDC, in writing and post the Projects Committee or EXMA approvals.
- 3.5. The guidelines may be amended from time to time, as deemed necessary by the ECDC.

- 3.6. Where the guidelines lend themselves to varying interpretations or do not deal with a specific subject matter, the interpretation of the ECDC must be requested, and such interpretation will be decisive and final.
- 3.7. The approval of applications will be subject to the availability of funds and in compliance with the EC Film and Television Investment Fund guidelines.
- 3.8. It is the responsibility of the production company to ensure that the application submitted to the ECDC is accurate and complete.
- 3.9. Failure to submit the required documentation listed in the guideline will result in automatic disqualification.
- 3.10. Deviations from these guideline may be applied upon request and approval by the ECDC Executive Management Committee

#### 4. WHAT DOES THE FUND COVER

The EC Film and Television Investment Fund provides funding for commercially viable projects within the following categories:

- 4.1.1. Full length feature films;
- 4.1.2. Series;
- 4.1.3. Television series;
- 4.1.4. Telenovela's;
- 4.1.5. Reality shows;
- 4.1.6. Animation
- 4.1.7. Documentaries
- 4.1.8. Participation in film festivals, markets, national and international

#### 5. MICROFILM FUNDING

Category	Requirements	Cap
<ul style="list-style-type: none"> <li>• Short Films</li> <li>• Documentaries</li> <li>• Short TV formats</li> </ul>	<ul style="list-style-type: none"> <li>• Registered company(Pty Ltd)</li> <li>• Synopsis</li> <li>• Development Schedule</li> <li>• Budget a minimum of 50% must be already secured before applying to ECDC, proof must be submitted at application stage</li> <li>• Full Budget Breakdown</li> <li>• Comprehensive Distribution &amp; Exhibition Plan</li> <li>• Appoint reputable Story Editor/Consultant</li> </ul>	R150 000.00 Maximum

	<ul style="list-style-type: none"> <li>• Be tax compliant</li> <li>• Company Profile</li> </ul>	
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## 6. PRODUCTION FUNDING

Category	Conditions	Cap
Full Length Feature Films	Recoupable Percentage Share in Revenue Generated	R1.5 million
Drama or Series	Recoupable Percentage Share in Revenue Generated	R2 million
Television Series	Non – Recoupable	R1.5 million
Telenovela's/Soapie	Non – Recoupable	R3 million
Reality Shows	Non – Recoupable	R1.5 million
Animation	<ul style="list-style-type: none"> <li>• Recoupable</li> <li>• Percentage Share Revenue Generated</li> </ul>	R1 million
Documentaries	<ul style="list-style-type: none"> <li>• Recoupable</li> <li>• Percentage Share Revenue Generated</li> </ul>	R500 000
Support for participation in National & International Film Festivals/Markets	<ul style="list-style-type: none"> <li>• film must be selected in Established film festivals.</li> </ul>	R70 000

## 7. PRODUCTION FUNDING REQUIREMENTS

- 7.1. Registered company / Special Purpose Corporate Vehicle (SPCV)
- 7.2. Be tax compliant
- 7.3. Brief project synopsis

- 7.4. The applicant must submit distribution or commission agreement at application stage from industry reputable entities or broadcasters.
- 7.5. Secure major budget of the total project (more than 60%) before applying to ECDC.
- 7.6. Minimum of fourteen (14) calendar days of the principal photography must be filmed in the Eastern Cape.
- 7.7. Prior to commencing with principal photography the applicant must have secured 100% of the budget such proof must be submitted to ECDC.
- 7.8. Projects will have a maximum of 3 months to start principal photography from date of approval by ECDC.
- 7.9. The applicant must be a South African production company, registered and complying with CIPC and all other legal requirements;
- 7.10. The applicant must provide the ECDC with a financial plan and letter(s) of confirmation/funding agreements from other financiers;
- 7.11. Updated CV of the applicant
- 7.12. Valid B-BBEE Certificate of Production company or affidavit.

## **8. GENERAL CONDITION FOR THE FUND**

- 8.1. Eastern Cape based filmmakers should be employed / job shadow with Heads of Departments during the production phase
- 8.2. An applicant must supply information on the intended and actual source of funding to be used for the whole principal photograph.
- 8.3. At least a minimum of 60% of procurement of goods and services must be allocated to Eastern Cape-based service providers during the production phase.
- 8.4. International productions must co-produce with South African registered companies to qualify for the fund
- 8.5. At least 50% of the principal photography of the project should be shot in the Eastern Cape;
- 8.6. Minimum of 60% production expenditure must be spent in the Eastern Cape.
- 8.7. Projects must include a training and skills transfer programme to be implemented within the Eastern Cape;

- 8.8. Previous funded projects by ECDC must be completed, and production company is in good standing with current and past financiers/investors;
- 8.9. An international production company should demonstrate a partnership with a South African based production company in order to be considered;
- 8.10. ECDC must be provided with economic data that is complete, accurate and verifiable for investment attracted, jobs created & SMME's benefited etc.
- 8.11. The projects are required to include the ECDC logo in the opening or closing credits for the supported production;
- 8.12. ECDC must be invited to all premiers of the film and engaged in all strategies for release of the film.
- 8.13. The ECDC Logo must be attached to all promotional material for the film(excluding commissioned content)
- 8.14. The applicant should provide a written confirmation that the ECDC will be credited for its contribution to the production after the approval by ECDC;
- 8.15. ECDC may request raw footage of locations to include in location promotional material for the Eastern Cape.
- 8.16. The applicant must comply with municipal by-laws regulating the affairs and the services the municipality provides in its area of jurisdiction; and other statutory regulations, where applicable;
- 8.17. The production must confirm its commitment to be rated by the Film Publication Board.
- 8.18. The ECDC may conduct evaluation studies, as and when required. Approved applicants are required to participate in these processes in order to inform how best to improve the effectiveness and efficiency of the fund. These processes may occur up to five (5) years after the approval and the company may be required to provide supporting documentation as verification of the information.
- 8.19. All approved projects may be monitored to assess how Eastern Cape Film Investment Fund is contributing towards the strategic objectives of the fund and its intended outcomes.
- 8.20. In instances where an applicant inflates costs, commercial rate will be counted for the purpose of calculating the funding required during the application stage.
- 8.21. Companies that have been funded by ECDC but have not completed & released their projects will not be considered.

## 9. ALL FUNDING APPLICATIONS WILL BE SUBJECT TO BELOW GRADING SYSTEM

In a bid to ensure a consistent flow of high-quality, diverse, audience-engaging projects into the marketplace, the ECDC has implemented the Grading System below as a guide on who should apply for funding. Applicants will be graded using the approved standards as contained in the Grading System, relevant experience and demonstrated capacity to deliver on the project being applied for is required.

ALL FUNDING APPLICATIONS WILL BE SUBJECT TO BELOW GRADING SYSTEM			
Tier	Category	Target Market Criteria	Funding Intervention
• Tier 5	Aspirant level	<ul style="list-style-type: none"> <li>• First time to the industry</li> <li>• No formal training in film</li> <li>• Want to enter the industry with no relevant background</li> <li>• May have qualifications in an unrelated field</li> <li>• Has not done any work in the industry</li> </ul>	<ul style="list-style-type: none"> <li>• Cannot apply to the film fund. Training interventions to be considered.</li> </ul>
• Tier 4	Entry level	<ul style="list-style-type: none"> <li>• First time to the industry</li> <li>• 0-3 years in industry</li> <li>• No formal training at NQF level 6</li> <li>• Want to enter the industry with no relevant background</li> <li>• Produced short film</li> <li>• Worked in industry as intern/assistant</li> </ul>	<ul style="list-style-type: none"> <li>• Can apply for: Micro film funding ( Short film, Doccies &amp; Short TV formats)</li> </ul>
• Tier 3	Emergent (A)	<ul style="list-style-type: none"> <li>• Produced short film</li> <li>• 4-7 years in industry</li> <li>• No formal training at NQF level 6</li> <li>• Worked in industry as crew/assistant</li> <li>• Produced Micro-budget film/television/fiction or non-fiction</li> </ul>	<ul style="list-style-type: none"> <li>• Can apply for Micro Film funding or Production Funding</li> </ul>
	Emergent (B)	<ul style="list-style-type: none"> <li>• Completed degree or 3 national SETA certified diploma PDI Male and female</li> <li>• Recent graduate</li> <li>• Portfolio of Evidence</li> <li>• 0-3 years in industry</li> </ul>	<ul style="list-style-type: none"> <li>• Can apply for Micro Film Funding or Production Funding</li> </ul>

<ul style="list-style-type: none"> <li>• <b>Tier 2</b></li> </ul>	<p><b>Intermediate</b></p>	<ul style="list-style-type: none"> <li>• Filmmakers with limited experience but who have developed and produced 1-2 theatrical feature films, television fiction and/or non-fiction, +5 short films and/or commercials seeking to venture into feature film development and production.</li> <li>• Graduates with 4 – 7 years’ experience</li> <li>• 7-10 years in industry (non – graduates)</li> </ul>	<ul style="list-style-type: none"> <li>• Can apply for Micro Finance or Production Funding</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Tier 1</b></li> </ul>	<p><b>Established</b></p>	<ul style="list-style-type: none"> <li>• Experienced filmmakers who have a proven track record for developing and producing 3-5 theatrically released feature films, television fiction and/or non-fiction. Graduates with +7 years’ experience</li> <li>• +10 years in industry (non – graduates)</li> </ul>	<ul style="list-style-type: none"> <li>• Can apply for Micro Finance or Production Funding</li> </ul>

## 10. RECOUPMENT GUIDELINES

- 10.1. The ECDC’s percentage share in revenue generated participation will be equal to its percentage contribution in relation to the budget of the project where applicable, according to the recoupment waterfall;
- 10.2. ECDC will be offered a percentage share in revenue generated in the project as a participant of the profit pool to facilitate recapitalisation of the EC Film Investment Fund;
- 10.3. Investment into the film and television production is recoupable as part of the recoupment waterfall at tier 3;
- 10.4. Production funding is recoupable from exhibition revenues;
- 10.5. A recoupment schedule will be provided to ECDC after the ECDC approval;
- 10.6. ECDC will enjoy financier privileges for the contribution to the project. The finance plan and reports will be submitted to ECDC regularly and will be kept informed of all financial updates;



- 10.7. The applicant will ensure that an approved Collection Management Agency, a neutral entity, will be responsible for collecting all revenue from the film and disbursing all profits to all parties according to the recoupment schedule;
- 10.8. The applicant will ensure that an industry-reputable Production Reporter, with the requisite skill and experience, provide investor surety and daily performance monitoring of the project.
- 10.9. The appointment of the Production Reporter is to be confirmed by all project investors/financiers.
- 10.10. The Production Reporter will be required to:
  - a) Facilitate weekly meetings and ad-hoc meetings with all investors to deliver comprehensive weekly reports throughout the lifecycle of the project.
  - b) Monitor and provide weekly reports on financial and technical project delivery throughout the lifecycle of the project at regular weekly meetings.
  - c) The Production Reporter is to propose and implement necessary best practice interventions to ensure successful project completion, upon approval of ECDC.
  - d) The Production Reporter will ensure that the production meets the contractual obligations of all investors/financiers.
  - e) The Production Reporter will monitor all expenditure in accordance with industry best practice standards, and make available operational reports to ECDC to ensure that ECDC's investment is protected.

## **11. SUPPORT FOR FILM FESTIVALS & MARKETS PARTICIPATION.**

The support for film festivals or markets will be limited to established film festivals or markets meaning should be in existence for more than five(5)years from the time of application.

- 11.1. Applicants must be invited for screening of a film whose principal photography was shot in the Eastern Cape.
- 11.2. Eastern Cape applicants are encourage to apply if they're selected for participation in an established film festival or markets local and international.
- 11.3. ECDC support will be limited to cover the following costs(traveling, accommodation, and promotional materials).
- 11.4. ECDC logo must be include in all promotional materials.
- 11.5. The ECDC reserves the right to convert its support provided to the production company to a percentage share in revenue generated, should the exposure in the film festival yield to the production company securing good Distribution Deals

## 12. WHAT THE FUND DOES NOT COVER

- 12.1. Game Shows;
- 12.2. Corporate Videos;
- 12.3. Current Affairs;
- 12.4. Talk Shows;
- 12.5. Adult Content;
- 12.6. Theatrical/Live Events (e.g. Social, Music or Sport);
- 12.7. Projects related to audience development.

## 13. APPLICATION PROCESSS

- 13.1. ECDC will open a funding call that will be advertised in all ECDC social media platforms as follows: **Website:** [www.ecdc.co.za](http://www.ecdc.co.za), **facebook**(Eastern Cape Development Corporation, **Instagram**(ecdc\_developec) etc.
- 13.2. Only successful applicants will receive communication from ECDC through approval letters.
- 13.3. Failing to hear from ECDC within six(6) weeks after the closing date of the funding call consider your application unsuccessful.
- 13.4. It is the responsibility of the applicant to submit complete application form with all the required supporting documentation and failing to do so will result to disqualification.

## 14. FUNDING EVALUATION PROCESS

- 14.1. All applications will be subjected to a commercial viability assessment, due diligence and document verification process;
- 14.2. All applications will be evaluated by an internal governance process within the ECDC;
- 14.3. The ECDC's Project Committee will review, deliberate and approve all applications throughout the year, depending on the budget availability and project commercial viability.