Summary of the evaluation of the

Canada Music Fund

2018-19 to 2022-23

Overview

The Canada Music Fund (CMF) provides funding to foster an environment where a diversity of Canadian musical artists reach audiences everywhere.

Since its modernization in April 2020, all of CMF funding has been given to 2 organizations for further distribution to Canadian Music industry artists, entrepreneurs and organizations: the **Fondation Musicaction (Musicaction)** for the Francophone market and the **Foundation Assisting Canadian Talent on Recordings (FACTOR)** for the Anglophone market. The program has 2 components: Individual Initiatives and Collective Initiatives.

The evaluation examined the relevance, effectiveness and efficiency of the CMF from 2018-19 to 2022-23.

Relevance

Overall, the music industry needs CMF funds. The program is aligned with government priorities and PCH's mandate. The rapid evolution of the music industry means that the CMF must continue to adapt to meet changing needs.

Applications for FACTOR and Musicaction funding exceed available resources*

Number of applications submitted and approved

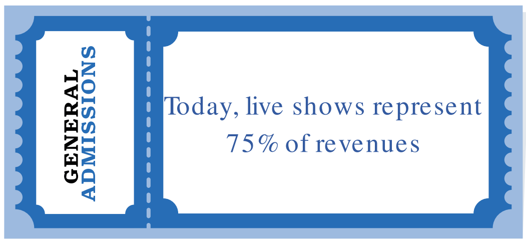
Applications submitted	35,428
Applications approved	21,415

Amounts requested and approved in millions of dollars

Amounts requested	471.7
Amounts approved	328.8

*As reported by FACTOR and Musicaction for the period of 2018-19 to 2022-23.

The rapid evolution of music consumption habits has an impact on the discoverability of Canadian artists and on their income.



Streaming platforms limit the **discoverability** of Canadian artists who have to compete with artists from around the world

The modernization of the CMF and its ties with the different sectors of the music industry made it possible to identify and better address the needs of the ultimate recipients.

- Single entry point for each linguistic market
- Flexibility in allocating funds to the 2 CMF components based on needs
- Global envelope funding offered to more entrepreneurs

Support measures put in place during the pandemic helped stabilize the industry and limit post-COVID impacts.

6 COVID-related support measures between 2020 and 2023 totalling **$118.9M**

$109.5M was distributed by FACTOR and Musicaction to 2,330 projects

Cette publication est aussi disponible en français.

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Relevance (continued)

Though the performing arts sector is recovering from the effects of the pandemic, it has had large impacts:

- 79% decline in revenues reported in 2021
- Closure of local performance venues and purchases by foreign companies
- Job losses
- Attendance rates not reaching those of pre-COVID
- Lower risk tolerance, which disadvantages emerging artists compared with those who are well-known

Effectiveness

Despite the pandemic, CMF funding led to positive results:

Investments were made and development opportunities were offered to Canadian artists.

Canadian music that was supported by the program was consumed in Canada.

Consumption of Canadian music domestically and abroad was stimulated.

Gaps in some CMF performance measurement indicators prevent full reporting on the achievement of expected outcomes.

The main objectives of the different support measures implemented during the pandemic have been achieved:

The large majority of ultimate recipients remained in operation.

The number of jobs in the sector increased.

Efficiency

Following its modernization, the CMF has been implemented efficiently. The CMF's operating costs have decreased and organizations that redistribute funding to the industry are largely meeting expectations.

Challenges remain regarding:

- The relevance of certain indicators for telling the story of the CMF and highlighting its impact
- The strategy for collecting data from FACTOR and Musicaction
- The administrative burden associated with the application and reporting processes between the 2 organizations and their respective ultimate recipients

As regular CMF resources were maximized during the evaluation period, the capacity to fully implement modernization plans, including expanding reach, was limited.

Recommendations

The evaluation recommends that the Senior Assistant Deputy Minister, Cultural Affairs, while respecting the nature of a further distribution model,

1. encourage FACTOR and Musicaction to engage with the ultimate recipients targeted by the CMF, particularly those from equity groups, or who are self-producing or emerging, to better understand their needs and improve services.

2. encourage FACTOR and Musicaction to review and simplify their application and reporting processes.

3. review the CMF's performance measurement and data collection strategy with FACTOR and Musicaction to ensure inclusion of all activities.

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