

Summary of the evaluation of the Canada Music Fund (2012-13 to 2017-18)

OVERVIEW

The Canada Music Fund supports the activities of **Canadian music artists and entrepreneurs**. It aims to increase the **creation of and access to a diversity of Canadian music for audiences everywhere** by enhancing the sector's ability to compete in **domestic and international markets**.

FUNDING COMPONENTS

Music Entrepreneurs Component (MEC)



Delivered internally by the Department of Canadian Heritage (PCH).



Supports Canadian:

- sound recording firms,
- music publishing firms, and
- national music associations.



Helps ensure that **well established Canadian music entrepreneurs build a strong and competitive industry** capable of contributing to the Canadian musical experience.

New Musical Works (NMW)



Delivered by third-party administrators: **The Foundation Assisting Canadian Talent on Recordings (FACTOR) and Musicaction.**

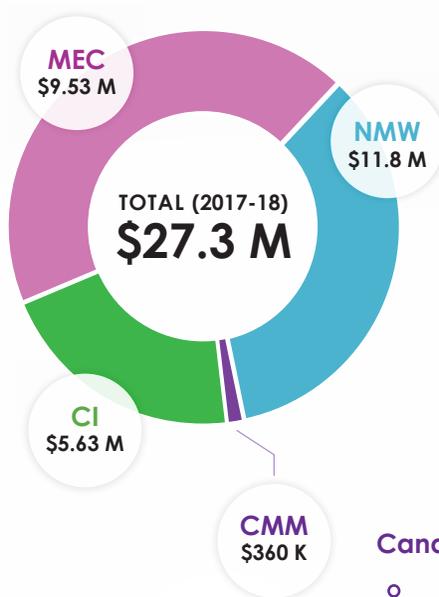


Supports:

- Production of **sound recordings and music videos** by new and emerging artists.
- **Marketing activities**, including domestic and international tours and showcasing events.



Helps ensure that **diverse Canadian musical works are created and promoted**.



Collective Initiatives (CI)



Delivered by **FACTOR** and **Musicaction**.



Helps create opportunities for Canadian music **artists and independent music companies** to **enhance their visibility** both domestically and internationally.

Canadian Music Memories (CMM)



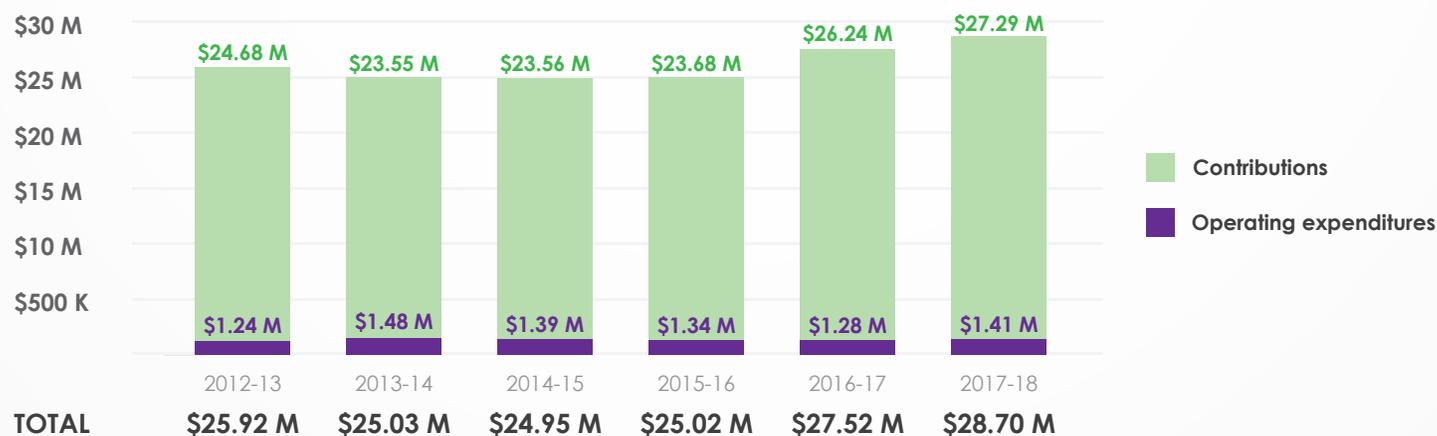
Delivered by **Library and Archives Canada**.



Funds acquisition, cataloguing and preservation of Canadian sound recording as well as **storage, access and restoration** of Canadian musical heritage.

RESOURCES

Program resources between 2012-13 and 2017-18



EFFICIENCY

The operating costs of the Canada Music Fund were **stable** over the evaluation period

▶ **5.2%**

Average of the total program funds allocated to operating costs (salaries, operating and maintenance)



Canadian Heritage

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Canada

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ACHIEVEMENT OF EXPECTED OUTCOMES

	Program desired outcomes	Program achievements
Immediate Outcomes	1 Collective projects provide opportunities for Canadian music artists and entrepreneurs to build skills and knowledge and foster innovation.	 Increasing number of conferences, award shows and events funded.
	2 Supported entrepreneurs invest in the development of Canadian artists.	 23.3% Increase in the average number of Canadian artists represented by MEC recipients.
	3 A range of Canadian music is produced/published by the Canada Music Fund recipients.	498 Average number of albums produced and released each year by the program recipients.
	4 Domestic, international and digital market development initiatives and performances are organized.	 46.4% Increase in the number of NMW projects funded.  123% Increase of CI international marketing projects.
	5 Existing Canadian musical works are acquired and preserved.	 Targets of acquisition and digitization of Canadian musical works exceeded.
Intermediate Outcome	Canadian music supported by the program is accessed in Canada and abroad.	8% Domestic target of market share for recipients' albums, achieved through evaluation period. 6% Domestic target of market share for recipients' streaming of songs by 2022, well on the way of achievement.
Ultimate Outcome	A broad range of Canadian music is consumed in Canada and abroad.	 Canada ranked as third largest music exporter.

THE NEED FOR MODERNIZATION

The music industry has undergone **significant changes and challenges:**

► **Growing popularity of online streaming services:**



of the total sound recording revenues in 2017 in Canada was comprised of **streaming revenues.**



Revenues are increasingly concentrated in the hands of larger players and artists are getting the smallest slice of the pie.

- The **lines** between creation, production, promotion, distribution and consumption of sound recordings are **blurred.**
- There are new and innovative ways to **connect creators with consumers.**

Due to these challenges, **the need for the Canada Music Fund to modernize** has been widely acknowledged. The program **recently received approval to implement significant changes** including:

- Simplification of the structure
- Administration exclusively through FACTOR and Musicaction

- Program components reduced from 4 to 2

New components:

1. Collective Initiatives
2. Individual Initiatives

- Immediate outcomes reduced from 5 to 3

New immediate outcomes:

1. Canadian music artists and entrepreneurs are provided with opportunities to build skills and knowledge as well as to experiment and innovate.
2. Supported entrepreneurs invest in the development of Canadian artists.
3. Canadian artists are showcased in collective domestic and international promotional activities and performances.

- These changes to the Canada Music Fund should:



- Improve efficiency and flexibility;
- Support a more diverse clientele and on a much broader basis;
- Address internal incoherencies and reduce the "patchwork effect."

CONCLUSIONS

The Evaluation Services Directorate proposes that a subsequent evaluation of the first 18-24 months of the modernization be conducted in order to assess the improvement of the performance measurement through the new flexibility of the program delivery. Additionally, the evaluation will assess how the program has addressed the internal incoherencies associated with the multiple components of the program and reduced the patchwork effect.

1

The approved modernization of the Canada Music Fund should be expected to address many aspects of the Program which have been widely acknowledged as out-of-date.

2

Given the recent modernization that is being implemented, no recommendations were made.



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