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Formative Evaluation of the Canada Music Fund

Final Report

Prepared for:

Department of Canadian Heritage

Prepared by:

Goss Gilroy Inc.
Management Consultants
Suite 900, 150 Metcalfe Street
Ottawa, ON K2P 1P1
Tel: (613) 230-5577
Fax: (613) 235-9592
E-mail: ggi@ggi.ca

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GOSS GILROY INC.

Management Consultants
Conseillers en gestion

Canada[!]

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Executive Summary





The focus of this evaluation is to provide perspectives on the adequacy of the Canada Music Fund's (CMF) design and implementation, and the extent to which progress is being made toward the achievement of its objectives. The evaluation also examined the adequacy of performance information being collected, and identified adjustments to the CMF that may be required at this stage.

Background

The CMF was created in 2001 as a successor to the former Sound Recording Development Program (SRDP), in existence since 1986. The CMF was designed to fund the production of content and related activities. The CMF is targeted at the Canadian music sector, mainly at the independents. The development and implementation of the CMF is the response, by the Government of Canada, to several critical factors:

The changing context and environment for sound recordings. This is a fast-paced and volatile sector, with new technologies and delivery channels presenting ongoing challenges and opportunities to the global sound recording community. Volatility stems from an uncertain future with respect to technology and multinational reaction to current market conditions;

The evolution of the Canadian sound recording industry. Canadian artists and firms need to seize emerging opportunities to ensure the health of the industry and the continued availability of Canadian products; and

Important lessons learned from the SRDP. An evaluation of the SRDP in 2000 provided important intelligence on the needs of the Canadian sound recording industry and its ability to respond to the emerging challenges and opportunities. There is a need to keep the CMF as flexible as possible in order to provide support quickly in a rapidly changing context.

The expected outcomes for the CMF are:

- the creation, production and preservation of new and diverse Canadian musical products;
- the demonstrated growth, sustainability and adaptability of the Canadian sound





recording industry and music artists to emerging trends, markets and delivery channels;

- the responsiveness of the CMF programs and policy;
- well-informed stakeholders; and,
- Canadians enjoying better access to diverse Canadian music through existing and emerging delivery channels.

The eight programs of the Canada Music Fund are managed by the Film, Video and Sound Recording Branch, Cultural Affairs Sector of the Department of Canadian Heritage. The Film, Video and Sound Recording Branch directly delivers two of these programs. The others are delivered in partnership with external agencies/organizations.

Table 1: The CMF Programs

Program	Administrator
• Creators' Assistance Program	• SOCAN Foundation
• Canadian Musical Diversity Program	• Canada Council for the Arts
• New Musical Works Program	• FACTOR, MUSICACTION
• Music Entrepreneur Program	• Telefilm Canada
• Support to Sector Associations Program	• Department of Canadian Heritage
• Collective Initiatives Program	• FACTOR, MUSICACTION
• Canadian Music Memories Program	• Department of Canadian Heritage and the National Library of Canada
• Policy Monitoring and Database Development Program	• Department of Canadian Heritage

Evaluation Methodology

The evaluation research methodology included a document review, key informant interviews (n=31), and a survey of successful and unsuccessful applicants (n=575). Stakeholders contributed to the achievement of the evaluation goals by providing access to documents and participating in key informant and survey interviews.

Evaluation Findings

Overall, there were considerable advances made in the implementation of most programs of the CMF. Some of the more specific strengths and challenges with regard

to design and delivery issues will likely only become evident once results-based information begins to be collected and compiled, on an ongoing basis, using common indicators on which all administrators report.

Adequacy of Program Design

The design of the Canada Music Fund, as indicated by survey findings and key informant interviews, impacts a wide diversity of industry stakeholders and delivery media. Canadian Heritage senior managers who had been involved in the design of the CMF indicated that the eight CMF programs are intended to provide funding access to the wide spectrum of music industry participants, from creators to audiences. They also stated that the Music Entrepreneur Program is a key CMF component, designed to consolidate the industry by providing substantial financial resources to those companies deemed to be on an entrepreneurial business track.

Interviews with Canadian Heritage senior managers, Program staff, Canada Music Council (CMC) members and other industry stakeholders indicated that the establishment of the CMC was seen as a positive move towards getting the industry to work together, and to provide increased interaction among various provincial and national stakeholders. These interviewees, felt that the Department of Canadian Heritage should ensure that the role of the CMC is enhanced through continuous consultation and collaboration in order to strengthen communications among the various industry stakeholders.

The design of the CMF also included delivery by non-Canadian Heritage Program administrators. Canadian Heritage senior managers, the CMF Program staff and industry stakeholders felt that this aspect of the CMF was beneficial in a number of ways:

- the administrators are close to and know the needs of the industry, and are better positioned to assess the quality of proposals;
- most are experienced administrators with a track record of working with the industry in a variety of programs. The dynamics of delivery are based on daily interaction with industry stakeholders;
- the administrators enhance the credibility of the program, due to their history with industry participants; and,
- delivery by third party administrators provides more timely responses.



There were issues that industry stakeholders felt that the new design did not address. Areas requiring strengthening in the CMF design/delivery included:

- Several sector players expressed concerns about inadequate funding to their area through the CMF (e.g., distributors, publishers and live performances).
- Skill development in a number of areas (e.g., entrepreneurial and business development skills) important to the music industry is not broadly included in the CMF programs.

Adequacy of Program Implementation

The evidence from key informant interviews and survey respondents is that the CMF is being implemented as intended. Some areas have been slow in implementation and have experienced delays, in particular the two programs administered by Canadian Heritage, the Support to Sector Associations Program and the Policy Monitoring and Database Development Program. The Music Entrepreneur Program undertook an extended design phase but did not experience extended delays in implementing Phase 1 (Support for the Development of Business Plans) and Phase 2 (Support for the Implementation of Business Plans) approvals. At the present time, Phase 2 has not been fully implemented.

Overlap in Clients - Administrators indicated there is a natural and legitimate overlap in clients, since a single client could qualify under several programs. It should be noted, however, that these administrators also serve clients who do not qualify under each other's programs.

Participant Satisfaction with CMF - Overall, there is a relatively high rate of satisfaction among participants in the CMF. The highest areas of satisfaction as rated by survey participants are:

- outcomes from projects (93%)
- helpfulness of administrator staff (89%)
- availability of administrator staff (87%)
- availability of information about the Fund (87%)

The lowest areas of satisfaction overall are:

- requirements for reporting (70%)
- timeliness of payments (67%)
- timeliness of decisions (60%)



- amount of work required for application (57%)

When asked to compare the CMF to the SRDP, two thirds of those who had applied and received funding under the previous Program reported that the changes under the CMF were improvements.

Repayment Mechanisms - For two of the main administrators (FACTOR and MUSICACTION), historically there has been a process of repayment by recipients for some portions of funds received from programs administered under the former SRDP. If a recipient reached a certain level of success with a product for which he/she received funds from the program, he/she would be expected to repay a portion of the funds to the administering organization. These funds would then be reallocated to other program applicants.

There appears to be some confusion about this aspect of the Fund. The administrators' understanding of this process is that it still exists for projects under the New Musical Works Program. However, repayments must now be made to the Receiver General of Canada (according to Treasury Board guidelines), rather than directly to the administrators. Thus from the administrators perspective, there is no reallocation of funds directly back into the industry.

On the other hand, Fund staff stated that repayments from the industry are made to FACTOR from the first copy sold and to MUSICACTION after the 10,000th copy. The repayments from the beneficiaries are still made directly to the administrators (not directly to the Crown) who then may have to repay the Crown.

In addition, key informants explained that this change in approach to repayments has created some challenges. These include funding potentially fewer projects because reallocation from repayments is now not possible, a reduced incentive to repay because there are no direct benefits to the industry, and an inability to use repayment as a success indicator (e.g., one administrator indicated that previously, repayment amounts were considered indicators with regard to project success).

This issue is of importance to the administrators and to the Department alike, and will most likely be clarified this fiscal year.

Likelihood of the CMF Meeting its Objectives



There are three main challenges in determining the likelihood that the CMF will meet its objectives: lack of clear objectives, lack of performance measurement, and delays in implementation.

- A number of key informants indicated that the CMF lacks clear, quantifiable objectives, making it difficult to measure and account for results. The key results of the CMF are currently viewed by many stakeholders as being too vague.
- There is little performance information available on the CMF outcomes. Ideally, at this period in implementation, there should be a framework in place that clearly outlines the results expected, the measures developed, a timeline and approach for data collection, and agreed upon responsibilities for data collection and analysis.
- There have been delays and phased implementation approaches used in implementing the CMF. As a result, it is difficult to predict at this point the likelihood that the CMF will meet its objectives.

Despite these very real challenges for the CMF's current ability to demonstrate success in meeting objectives, the opinions of many of the stakeholders and findings from the survey of successful applicants illustrated that progress is being made with regard to:

- the creation of Canadian musical products;
- adaptability of artists and the industry to different markets and delivery channels; and,
- Canadians enjoying increased access to diverse Canadian music.

The survey of applicants across programs demonstrated that participants are generally very satisfied with the success of their individual projects.

Performance Measurement and Reporting

Findings from the key informant interviews, surveys of applicants and document review indicate that there has been little progress achieved in the area of performance measurement and reporting. While it appears that there is performance information being collected on a project basis, there was little indication that this information was being compiled and utilized by administrators, on an ongoing basis, in managing their programs, or the CMF overall.

In most instances, the bulk of performance information is maintained at the implementing organizations' level (e.g., individual project outcomes, project impacts), and is not compiled and transferred to Canadian Heritage, in an ongoing manner, that could be useful for managing the CMF overall.

While it appears that individual administrative systems at the administrator level may be sufficient to deal with program implementation, there does not appear to be a system or plan in place for consistent roll-up of data to the Fund level (i.e., there are no common indicators on which all administrators report).

Another reporting issue identified during the course of collecting data for the evaluation sampling frame is that reporting streams are structured according to projects rather than applicants. This applies to all databases as well as the Annual Reports. This creates a situation where:

- it is challenging to disentangle project impacts for recipients with multiple projects; and
- the impacts that can be tracked are at the project level rather than at the organizational and the industry level.

Considerations for Future Evaluations

The current evaluation was formative in nature with emphasis on the Funds's design, delivery and implementation. The next planned evaluation will be summative with a greater focus on the Fund's success and impacts. The evaluation team, in conducting the current study, made note of a number of issues that may have an impact on the success of the summative evaluation.

- Response rates for the survey of Fund participants was relatively low due to the inability of the research team to make contact via phone with participants. Those conducting future evaluations may consider alternative methods of surveying such as using mail, fax forms, etc. Cover letters from the administrators outlining the importance of the evaluation and survey may also contribute to a higher response rate. In addition, determining prior to the evaluation the information that can be collected through regular monitoring would also assist in ensuring sufficient data are available.



- The paucity of performance information means that additional data collection will likely be necessary at the summative evaluation stage unless considerable, rapid progress is made in collecting performance information within the next few years.
- Although the CMF has overall objectives, one aspect of the current evaluation was to report by individual programs in addition to reporting at the CMF level overall. This decision on the reporting level was made relatively late in the study, and as a result had an impact on the timing of the study, as well as the quality of the analyses that could be conducted. The decision on whether any future evaluation is to focus on the CMF overall and/or its individual programs should be taken very early in the evaluation process.

Recommendations, Management Response and Action Plan

Adequacy of Program Design and Implementation:

Recommendation 1: Consider areas, i.e., design/delivery concerning distribution, publishing, live performance and training requiring strengthening. Discuss considerations with industry stakeholders and the Canada Music Council (CMC). Industry stakeholders and Canadian Heritage officials identified the above-noted areas that required strengthening in the CMF. These areas should be noted and discussed with industry stakeholders, since some administrators are conducting additional research in these areas. The information gathered from this research should be made available to the overall Fund to identify strategies to deal with distribution, publishing, live performances and training to ensure that research overlap does not occur.

Management Response: *Recommendation accepted.*

- A number of issues identified in the report have already been considered by the Department and have been topics of discussion with administrators, stakeholders and the Canada Music Council.
- The Department will undertake analysis this fiscal year and in the next fiscal year to identify priority funding areas for the second generation of the CMF. The Department considers that gaps are not so much in the CMF's design but are rather in determining those areas that are priorities for funding assistance, given limited financial resources.

Implementation Date: January 2004



Recommendation 2: Strengthen the role of the Department of Canadian Heritage in terms of overall coordination for the CMF.

A number of interview participants in all categories felt a lack of coordination for all eight programs of the CMF. There is clarity with individual administrators on their individual program, but many industry stakeholders are looking to Canadian Heritage to provide the overall view of the CMF, and to bring all the administrators together for information sharing discussions. These discussions should result in identifying appropriate collaboration/coordination activities for all partners.

Management Response: *Recommendation accepted.*

- The Department is assuming its leadership role with administrators.
- Administrators' plenary meetings are held on a quarterly basis and are a forum to discuss issues of common concern.
- The Department is holding more frequent meetings with administrators in order to address specific issues of common concern and solutions.

Implementation Date: June 2003

Recommendation 3: Review the repayment mechanisms in terms of industry building.

For FACTOR and La Fondation MUSICACTION, the repayment mechanisms with which they have worked for many years are extremely important. Canadian Heritage Fund managers should clarify the issue with the administrators.

Management Response: *Recommendation accepted.*

Implementation Date: November 2003

Likelihood of Meeting Objectives, Performance Monitoring and Reporting:

Recommendation 4: Revise and implement the Results-based Management Accountability Framework (RMAF) for the CMF.

Given the feedback during the evaluation study, there is a need to clarify objectives and expected outcomes, clearly communicate them to stakeholders/delivery partners and update the Program's RMAF. Once the RMAF has been revised, the program needs to share and implement it to ensure consistency and appropriateness of data collection. There is a distinct need for a performance measurement system with

appropriate indicators and data collection methodologies.

Management Response: *Recommendation accepted.*

- The original RMAF was revised and clarified in December 2002. The Department believes that the objectives in the updated RMAF do not require further revision provided they are well-communicated to administrators. A training session for administrators and staff is being planned.

Implementation Date: May 2004

Recommendation 5: Implement the Policy Monitoring and Database Development Program to ensure adequate, systematic collection and analysis of information to track program performance.

A key element of the CMF for the monitoring and tracking of performance information and ensuring that the CMF is able to demonstrate its success in meeting objectives is the Policy Monitoring and Database Development Program, administered and implemented by Canadian Heritage. Interviews held with Canadian Heritage Program staff indicate that many aspects of the program are still under development. Efforts should be made to have this program functioning as soon as possible to ensure consistent data collection and reporting.

Management Response: *Recommendation accepted.*

- The Policy Monitoring and Data Base Development Program has been implemented.
- The Department has developed a data collection and measurement strategy with all partners.
- The Department has developed a performance “report card” that will be updated each year.

Implementation Date: September 2003

Recommendation 6: Data collection should occur in such a manner that both project-level and higher-level outcomes can be monitored and reported.

The evaluation team spent considerable resources manually going through project lists provided by administrators to determine the actual number of beneficiaries across the CMF. The outcomes identified in the RMAF for the CMF are at the stakeholder, artist, firm, organization, or industry level. With the reporting systems’ current structure, the project-level focus in reporting will likely not support higher-level monitoring.



Management Response: *Recommendation accepted.*

- Data collection is occurring with both project-level and higher-level outcomes in mind.

Implementation Date: September 2003

1.0 Introduction

1.1 Purpose of the report

The focus of this evaluation is to provide perspectives on the adequacy of the Canada Music Fund's (CMF) design and implementation, and the extent to which progress is being made toward the achievement of its objectives. The evaluation also examined the adequacy of performance information being collected, and identified adjustments to the CMF that may be required at this stage.

1.2 Scope of the Fund

The CMF was created in 2001 as a successor to the former Sound Recording Development Program (SRDP), in existence since 1986¹. The CMF is comprised of eight programs as shown in **Table 1** below.

¹ For a detailed comparison of SRDP and the CMF programs, the reader is referred to Appendix 2.

Table 1: The CMF Programs

Program	Administrator
• Creators' Assistance Program	• SOCAN Foundation
• Canadian Musical Diversity Program	• Canada Council for the Arts
• New Musical Works Program	• FACTOR, MUSICACTION
• Music Entrepreneur Program	• Telefilm Canada
• Support to Sector Associations Program	• Department of Canadian Heritage
• Collective Initiatives Program	• FACTOR, MUSICACTION
• Canadian Music Memories Program	• Department of Canadian Heritage and the National Library of Canada
• Policy Monitoring and Database Development Program	• Department. of Canadian Heritage

The three-year funding levels for the CMF (2001-02 to 2003-04) were announced at \$81 million with anticipated actual disbursement at \$78 million (refer to Section 2.1.5 for specific funding details).

1.3 Outline of the Structure of the Report

This report is comprised of:

- Section 1.0 - Introduction;
- Section 2.0 - Program Profile;
- Section 3.0 - Evaluation Profile;
- Section 4.0 - Evaluation Findings; and,
- Section 5.0 - Recommendations.

Various appendices are included which contain summary findings according to individual programs, lists of key informants, and copies of the survey instruments and interview guides used in the evaluation study.

Throughout the report, to avoid confusion, the term “Fund” has been used when referring to the CMF as a whole. The term “program(s)” has been used when referring

to the components which comprise the CMF.

GGI would like to acknowledge all who contributed to the study.

2.0 Program Profile

2.1 Description of the CMF

The CMF represents the successor to the former SRDP which had been in existence since 1986. The former SRDP was designed to “contribute to the improvement of the access Canadians have to Canadian content sound recordings, and the popularity of Canadian artists and Canadian music products, as well as contribute to the development and strengthening of the Canadian sound recording industry”.² The CMF was designed to fund the production of content and related activities. The CMF is targeted at the Canadian music sector, mainly at the independents, which represent a small percentage of the market as well as a small portion of sector sales. The CMF built on the strengths of SRDP, and was created out of the new national policy on sound recording (*From Creators to Audience*) in 2001.

The new policy and resultant programs are a response, by the Government of Canada, to several critical factors:

The changing context and environment for sound recordings. This is a fast-paced and volatile sector, with new technologies and delivery channels presenting ongoing challenges and opportunities to the global sound recording community. Volatility stems from an uncertain future with respect to technology and multinational reaction to current market conditions;

The evolution of the Canadian sound recording industry. Canadian artists and firms need to seize emerging opportunities to ensure the health of the industry and the continued availability of Canadian products; and,

Important lessons learned from the SRDP. An evaluation of the SRDP in 2000 provided important intelligence on the needs of the Canadian sound recording industry and its ability to respond to the emerging challenges and opportunities. There is a need to keep the CMF as flexible as possible in order to provide support quickly in a rapidly changing context.

² *Results-based Management and Accountability Framework - Canada Music Fund* (December, 2002)

The Government of Canada has reacted to a number of challenges to the industry by introducing new tools and resources to help the Canadian music industry adapt and cope. This support has come in the form of new funds, designation of new program administrators, and the renewal of past collaborations. These specific challenges and a description of the federal government's attempt to assist the Canadian music industry in the form of the CMF are described briefly below.

2.1.1 Overview of Canadian Music Industry ³

As of 2000, Canada was the sixth largest market for recording in the world placing behind US, Japan, UK, Germany and France. As well, Canada also ranked sixth in the world for the number of records sold per capita (approximately 2.9 CDs per year). The industry is made up of creators (songwriters, composers and musicians; approximately 25,000), artist-owned labels (approximately 650), independent labels with national distribution (approximately 30), "majors" or multinational record companies (approximately 4), publishers, distributors, and retailers.

Major labels will invest in Canadian talent with national or international potential. Independent labels tend to invest in local talent with regional appeal. Nearly 90% of all production with Canadian content are made by Canadian-owned companies.

Music recordings generate significant economic activity in Canada. For example, retail sales in Canada totalled \$1.2 billion in 2000 with 12% of this from Canadian products. The royalties paid to Canadian songwriters, composers and publishers for public performance rights were \$87 million in 2000⁴. It is estimated that over 16,000 jobs are related to the music industry, with many of these jobs occupied by young Canadians.

2.1.2 Industry Challenges

The Canadian music industry is undergoing fundamental changes. Faced with the challenges of a global digital economy, the Canadian sound recording industry must transform itself to keep pace with the changing world, and to remain relevant and

³ Information for this section on the description of the Canadian music industry was selected from a PCH presentation deck entitled "*The Canadian Recording Industry: A Profile*" (May, 2002).

⁴ Information obtained from SOCAN

competitive. In this period of flux, initiatives such as the Canada Music Fund can contribute to a smooth transition. Ensuring that Canadians continue to have access to diverse Canadian music choices means developing the right policy framework and tools for meeting today's global and digital challenges.

Globalization is taking down barriers, eroding borders and making way for a world of opportunities for Canadian artists and recording companies. It is also opening the door to even greater competition for the mostly smaller and undercapitalized Canadian firms.

The digital environment poses great challenges. The music industry was the first in the cultural sector to face the complex realities of the Internet when it became a new medium for accessing recorded music. The concerns surrounding Internet-based music services continue to challenge the industry worldwide.

2.1.3 Target Population

While each program has its distinct objectives and parameters, collectively they provide funding to a wide array of stakeholders in the sound recording industry. Important partnerships with FACTOR, MUSICACTION and the Canada Council for the Arts (CCA) continued from the SRDP. New ones have been forged with the SOCAN Foundation, Telefilm Canada, the AV Preservation Trust of Canada and the National Library of Canada.

Beneficiaries of the programs include Canadian music talent - creators, performers, lyricists and songwriters. They also include the Canadian sound recording sector - the industry producing, distributing and marketing Canadian products and the associations representing music talent and businesses. Canada's sound recording industry encompasses a range of Canadian music artists and entrepreneurs who are responsible for creating, producing and promoting the vast majority of Canadian songwriters, composers, performers, studios, producers, engineers, record companies, artist managers, music publishers, manufacturers, distributors, publicists, retail outlets, and concert promoters.

2.1.4 Delivery Approach

The eight programs funded by the Canada Music Fund are managed by the Film, Video and Sound Recording Branch, Cultural Affairs Sector of the Department of Canadian Heritage (PCH). The Film, Video and Sound Recording Branch directly delivers two of these programs. The others are delivered in partnership with external agencies/organizations. The programs, their administrators, their client base and the focus of funding are shown below in **Table 2**.

Table 2: Canada Music Fund Programs, Program Administrator, Client Base and Focus of Funding

Program	Administrator	Client Base	Focus of Funding
Creators' Assistance Program	SOCAN Foundation	Canadian Creators (songwriters, composers of popular, concert and film music, etc.)	Collective initiatives specifically aimed at creators to develop their craft and business skills, and to promote the presence of Canadian creators and songs.
Canadian Musical Diversity Program	Canada Council for the Arts	Canadian artists and record companies and distributors of specialized music.	Project-specific assistance for production and distribution of Canadian specialized music recordings.
New Musical Works Program	FACTOR MUSICACTION	Canadian artists, artist managers, music publishers and record companies.	Project-specific assistance to artists and entrepreneurs to develop and promote musical works (songs, recordings, tours, videos).
Music Entrepreneur Program	Telefilm Canada	Established Canadian sound recording firms/labels/undertakings.	Selective, per company assistance for technology-related transition measures and to improve musical content development and dissemination capacities.
Support to Sector Associations Program	Department of Canadian Heritage	Canadian not-for-profit associations.	Selective, per association assistance for day-to-day operational expenses.
Collective Initiatives Program	FACTOR MUSICACTION	Not-for-profit associations, and/or multi-company partnering initiatives.	Project funding for collective events such as: conferences, awards, collective marketing initiatives, virtual trade shows; national website of new Canadian music; and professional development initiatives.
Canadian Music Memories Program	Department of Canadian Heritage and the National Library of Canada	Recognized organizations specializing in access, preservation and conservation of musical content.	Resources targeted for Canadian sound recording preservation to ensure access to musical heritage.

Program	Administrator	Client Base	Focus of Funding
Policy Monitoring and Database Development Program	Department of Canadian Heritage	n/a	To acquire proprietary third-party data; and develop database(s).

*Internal PCH document: May 2001 with suggested changes incorporated in February 2003.

2.1.5 Program Resources

As illustrated in **Table 3**, the CMF Funding levels were announced at \$81 million over three years (to 2003-2004). Actual disbursements will be approximately \$78 million (to 2004-2005 due to delayed implementation of the Music Entrepreneur Program). The reasons for the differences between announced funding levels and estimated disbursements was the branch's contribution of \$1.5 million in each of year 2002-2003 and 2003-2004 towards departmental fiscal pressures. This led to a reallocation of funding within the CMF Programs (as allowed under the CMF Terms and Conditions) in order to respond to operational requirements. The \$3 million in question came from the New Musical Works Program.

Table 3: Canada Music Fund Programs - Authorized Funding by Program⁵

Programs	Funding
1. Creators' Assistance Program	\$3M (\$1M annually)
2. Canadian Musical Diversity Program	\$4.5M (\$1.5M annually)
3. New Musical Works Program	\$37.3M over 3 years 2001-02: \$10.7M 2002-03: \$13.3M 2003-04: \$13.3M
4. Music Entrepreneur Program	\$23M (implementation delayed by one year to 2004-05) 2001-02: \$3M 2002-03: \$10M 2003-04: \$10M
5. Support to Sector Associations Program	\$1.8M (\$0.6M annually)
6. Collective Initiatives Program	\$6M (\$2M annually)
7. Canadian Music Memories Program	\$1.8M (\$0.6M annually)

⁵ Figures provided by Sound Recording Policy and Programs Directorate, July 2003.



Programs	Funding
8. Policy Monitoring and Database Development Program	\$3.6M 2001-02: \$1.6M 2002-03: \$1.0M 2003-04: \$1.0M
Total	\$81 M

2.1.6 Governance Structure

An advisory body, the Canada Music Council (CMC), was formed at the inception of the CMF. This 19-member, industry-based body promotes collaboration between the Canadian sound recording industry and the Government of Canada. The CMC was “created to assist in the governance of the CMF and to ensure the continuing health and competitiveness of the Canadian music industry on the world stage”. More specifically, the mandate⁶ of the CMC is to:

- advise the Minister of Canadian Heritage on the general principles governing the CMF and on the strategies to achieve the CMF’s objectives;
- contribute to the monitoring and evaluation of the CMF’s performances;
- conduct investigations and inquiries into all music-related matters that the Minister may refer to; and,
- foster constructive dialogue and partnership arrangements among creator, producer and broadcast groups.

2.1.7 Planned Results

According to the logic model contained in the Results-based Management and Accountability Framework (RMAF) developed for the CMF (December, 2002), the intermediate and ultimate outcomes for the CMF are:

- the creation, production and preservation of new and diverse Canadian musical products;
- the demonstrated growth, sustainability and adaptability of the Canadian sound recording industry and music artists to emerging trends, markets and delivery channels;

⁶ Annual Report of the Canada Music Fund (2001-2002), Canada Music Council, p.6

- the responsiveness of the CMF programs and policy;
- well-informed stakeholders; and,
- Canadians enjoying better access to diverse Canadian music through existing and emerging delivery channels.

2.1.8 Links to PCH Strategic Objectives

The planned results as indicated above are linked to the achievement of the following four Canadian Heritage Strategic Objectives as they apply to music or the music industry:

- ***Canadian Content*** - promoting the creation, dissemination and preservation of diverse Canadian cultural works, stories and symbols reflective of our past and expressive of our values and aspirations.
- ***Cultural Participation and Engagement*** - fostering access to and participation in Canada's cultural life.
- ***Connections*** - fostering and strengthening connections among Canadians and deepening understanding across diverse communities.
- ***Active Citizenship and Civic Participation*** - Promoting understanding of the rights and responsibilities of shared citizenship and fostering opportunities to participate in Canada's civic life.

The CMF links with PCH's Strategic Objectives are discussed in Section 4.1.2.

3.0 Evaluation Profile

3.1 Overview of the Evaluation Methodology

The focus of the formative evaluation of the Canada Music Fund was on examining:

- the adequacy of Program design;
- how well the Program is being implemented;
- whether progress is being made toward the achievement of the outcomes;
- the adequacy of performance information that is being collected and the systems put in place for that purpose;
- whether adjustments are necessary; and
- differences between the CMF and the previous Sound Recording Development Program which will promote the achievement of the CMF expected results.

3.1.1 Contributions Made by Stakeholders

The evaluation research methodology included a document review, key informant interviews and a survey of successful and unsuccessful applicants. Stakeholders contributed to the achievement of the evaluation goals by providing access to documents and participating in key informant and survey interviews. In addition to the aforementioned items, Canadian Heritage Program area staff contributed as well through reviewing drafts of reports and providing comments.

3.1.2 Evaluation Issues and Questions

A matrix identifying the evaluation issues, questions and data sources was developed to indicate the manner in which the evaluation questions would be addressed.

Table 4 below indicates the evaluation issues, questions and data sources that formed the basis of the evaluation research. The issues in the matrix are the points of analysis for all information/data collected during the course of the evaluation. The evaluation findings are structured according to the main groups of evaluation issues.

Table 4: Evaluation Issues, Questions and Data Sources



Issue	Questions	Data Source*		
		Doc	KI	Survey
Adequacy of Program Design	1. What are the strengths of the CMF's design (e.g., Program's objectives and expected results, eligibility criteria and priorities, governance structure, channels of communication, third party delivery mechanisms)?		✓	✓
	2. Are there any elements of the CMF's design that work against its success? If so, what are they?		✓	✓
	3. How was the CMF developed? Based on results, consultations, etc.	✓	✓	
Adequacy of Program Delivery	4. Is the CMF being implemented as originally intended? If not, why not?	✓	✓	✓
	5. Has implementation of the CMF been hampered by any internal or external issues or barriers? If so, what are these and what changes are needed?	✓	✓	✓
	6. Have any challenges/improvements been encountered/noticed as a result of the conversion of former SRDP programs to the new CMF programs? If so, what have they been?		✓	✓
	7. How well is the CMF's third party delivery working? How well is the target clientele being served through the delivery mechanism? Do third party agreements support policies such as Official Languages and Aboriginal policies?	✓	✓	✓
	8. How adequate are the third party funding agreements in terms of performance measurement, results reporting and roles and responsibilities?	✓	✓	
	9. Are stakeholders satisfied with the products and/or services provided through the CMF? What are the challenges?		✓	✓
	10. What have been the administrative costs of delivering the CMF?	✓	✓	
	11. Is the current method of delivering the various CMF programs the best one?		✓	✓
Likelihood of Program Meeting its Objectives	12. What demonstrable progress has been made towards the achievement of early outcomes?	✓	✓	✓



Issue	Questions	Data Source*		
		Doc	KI	Survey
	13. In what ways do current operations enable the CMF to meet its objectives?		✓	✓
	14. Are there any constraints that impinge on the ability of the CMF to achieve its objectives? If so, what are they?		✓	✓
	15. Is there any indication that the CMF or its funded projects may be having unintended positive and/or negative effects (e.g., leverage, duplication)? If so, what are these effects?	✓	✓	✓
Performance Measurement and Reporting	16. What tracking/monitoring mechanisms have been put in place to ensure effective ongoing performance measurement?	✓	✓	✓
	17. Has sufficient baseline information against which to measure progress on expected results been collected? If not, what changes are required?	✓	✓	
	18. Are the CMF's mechanisms adequate for measuring project impacts and the Fund's overall performance? If not, what changes are required?	✓	✓	
	19. Are the delivery partners/funding recipients reporting on outputs and results achieved? If not, what steps need to be taken to correct this situation?	✓	✓	✓
Lessons Learned	20. What lessons have been learned? What improvements can be suggested		✓	✓

*Key: Doc (documents), KI (key informant interviews), Survey (survey of successful and unsuccessful applicants). A check mark indicates that this source was used to address the evaluation question.

3.1.3 Information sources and methods for collection and analysis

The data sources listed in **Table 4** above comprise the sources of information utilized during the evaluation research. The following section describes each of these methodologies in greater detail.

- **Document review**

An extensive set of documents reflecting all aspects of the Program was reviewed during the course of the evaluation. This list of documents can be found in **Appendix 3**. The document review provided current information for most issues to be addressed

by the evaluation and assisted the team to develop a broader contextual understanding of the administrators and the programs, as well as the transition between the SRDP and the CMF. An assessment of reporting mechanisms and performance indicators was conducted through a review of appropriate administrative files and annual reports.

- **Key Informant Interviews**

Thirty one key informant interviews were conducted with participants drawn from the following categories:

- Departmental senior managers;
- Program managers;
- Representatives from the Department's corporate branches;
- Members of the CMC;
- Representatives from each of the implementing organizations and agencies; and
- Representatives from key industry associations.

A semi-structured interview guide was used for these interviews. Specific questions were chosen for different types of respondents, as not all questions were applicable for all respondents. A list of key informant interview participants is included in **Appendix 4**.

- **Survey of Program Applicants**

The evaluation team conducted two surveys of Program applicants. One survey focussed on successful applicants. The second survey focussed on unsuccessful applicants. A sample of successful and unsuccessful applicants from five programs participated in the survey:

- Creators' Assistance Program
- Canadian Musical Diversity Program
- New Musical Works Program
- Collective Initiatives Program.
- Music Entrepreneur Program (MEP)

Those programs not included in the survey component (the Canadian Music Memories Program, the Support to Sector Associations Program, and the Policy Monitoring and

Database Development Program) were more appropriately covered through key informant interviews and document review.

The survey process consisted of developing survey frames from applicant lists supplied by the administrators. A sample was selected for each program. It should be noted that the study team based the sampling strategy on a *per organization* (or individual) basis and not on a *per project* basis. Successful applicants were those that were successful in any of the five programs, but they were included in the survey sample for only one specific program⁷. Respondents to the successful applicant questionnaire were asked to consider all of their projects funded under a specific program when responding to some questions. In addition, they were asked specific project related questions intended to identify project outcomes. If the applicant had multiple funded projects, one of the projects was randomly chosen as that to which they would refer when responding to project impact questions. Successful applicants who were included in the key informant interviews were removed from the survey sample.

Sampled applicants (both successful and unsuccessful) were sent a letter on PCH letterhead from the Corporate Review Branch. The letter explained the purpose of the survey, the evaluation team who would be contacting them for an interview, and the general timing of the evaluation.

Potential respondents were contacted by the evaluation team by phone to seek their participation in the survey. If there was no response, the evaluation team attempted to contact the potential respondent on at least six separate occasions across a period of 10 days.

Table 5 below contains the survey outcomes by program such as the total number of applications (2001/2002 and 2002/2003), the number of applicants per program, the number of applicants sampled, the number who completed interviews, and call outcomes for those who did not complete an interview.

Table 5 - Survey Outcomes

⁷ There is not currently a centralized database for program applicants across the programs, and individual implementing organizations tend to collect information on a per application basis rather than on a per applicant basis. As a result, the evaluation team expended considerable effort attempting to determine to what extent there were multiple applications from one applicant both within and across programs, and to what extent individual applicants overall had been successful or unsuccessful in any or all of the programs to which they applied.



<i>Outcome</i>	<i>Creators' Assistance Program</i>	<i>Canadian Musical Diversity Program</i>	<i>New Musical Works Program</i>	<i>Collective Initiatives Program</i>	<i>Music Entrepreneur Program</i>	<i>Overall</i>
Survey Frames						
# Applications	5 (01/02) 8 (02/03)	274 (01/02) 353 (02/03)	2,841 (01/02) 2,759 (02/03)	181 (01/02) 64 (02/03)	39 (01/02) 26 (02/03)	--
# Applicants	5 (01/02) 8 (02/03)	259 (01/02) 339 (02/03)	1,709 (01/02) 1,724 (02/03)	67 (01/02) 53 (02/03)	39 (01/02) 26 (02/03)	--
# Funded Projects	4 (01/02) 7 (02/03)	77 (01/02) 78 (02/03)	1,414 (01/02) 1,196 (02/03)	102 (01/02) 46 (02/03)	26 (01/02) 13 (02/03)	--
# Funded Applicants	4 (01/02) 7 (02/03)	72 (01/02) 75 (02/03)	638 (01/02) 795 (01/02)	42 (01/02) 42 (02/03)	26 (01/02) 13 (02/03)	--
Survey of Successful Applicants						
# Applicants Sampled	4	82	425	40	24	575
Completed Interviews	4 (100%)	34 (41%)	177 (42%)	20 (50%)	13 (54%)	248 (43%)
No response*	0 (0%)	38 (46%)	210 (49%)	18 (45%)	11 (46%)	277 (48%)
Incorrect Contact Info	0 (0%)	8 (10%)	20 (5%)	2 (5%)	0 (0%)	30 (5%)
Refused	0 (0%)	2 (2%)	18 (4%)	0 (0%)	0 (0%)	20 (3%)
Survey of Unsuccessful Applicants						
# Applicants Sampled	1	10	91	15	13	130
Completed Interviews	1 (100%)	3 (30%)	39 (43%)	5 (33%)	7 (54%)	55 (42%)
No response*	0 (0%)	4 (40%)	35 (38%)	10 (67%)	6 (46%)	55 (42%)
Incorrect Contact Info	0 (0%)	2 (20%)	9 (10%)	0 (0%)	0 (0%)	11 (8%)
Refused	0 (0%)	1 (10%)	8 (9%)	0 (0%)	0 (0%)	9 (7%)

* No response after initial call plus 5 attempted call-backs.

4.0 Evaluation Findings



The evaluation findings are divided into four main sections to reflect the grouping of evaluation issues: adequacy of Program design, adequacy of Program delivery, likelihood of meeting objectives, and performance reporting and monitoring. In addition, there is a brief section on considerations when undertaking the summative evaluation.

Overall, there were considerable advances made in the implementation of most programs of the CMF. Some of the more specific strengths and challenges with regard to design and delivery issues will likely only become evident once results-based information begins to be collected and, on an ongoing basis, using common indicators on which all administrators report.

The main body of the report contains the overall findings for the CMF. **Appendix 1** contains information on specific Programs. In some instances, where evaluation findings were specific for one program but impacted the overall evaluation, the study team has highlighted them in the overall report.

4.1 Adequacy of Program Design - the CMF Overall

The design of the Canada Music Fund, as indicated by survey findings and key informant interviews, impacts a wide diversity of industry stakeholders and delivery media. Canadian Heritage senior managers who had been involved in the design of the CMF indicated that the eight CMF programs are intended to provide funding access to the wide spectrum of music industry participants, from creators to audiences. They also stated that the Music Entrepreneur Program is a key CMF component, designed to consolidate the industry by providing substantial financial resources to those companies deemed to be on an entrepreneurial business track.

4.1.1 The CMF Context and Design

Difficulties faced by the music industry of today were pointed out in interviews with industry stakeholders, Canadian Heritage senior managers and Program staff. The interview participants provided the following perspectives on both the context of the industry and the design of the CMF initiative:

- Digitization (required to move from cassettes and vinyl to CDs) has reduced the



need for physical support in music distribution. This has been facilitated by communications technology.

- There is more competition from other forms of entertainment (e.g., video games) in some important music market segments (e.g., youth).
- The CMF exists to help the industry cope with these difficult times and find a new equilibrium.
- The CMF is focused on production and today's production is that of a CD.
- MEP is designed to help a successful few lead the way into a new model.

4.1.2 The CMF Design and Canadian Heritage Strategic Objectives

Canadian Heritage senior managers consider music as part of the cultural policy statement, i.e., music as a source of content. In the chain of supply, it is the sound recording businesses that are essential. From their perspective, while it is true that without the individual artists the music would not be created, it is also the case that without the production, the music would neither reach an audience, nor create a history. As a result, the intent of the CMF design is to affect the structure of the industry, rather than to support solely project-based funding.

Canadian Heritage senior managers and other industry stakeholders stated that aspects of the CMF Program design were in response to critiques of its predecessor (the Sound Recording Development Program - SRDP) as not being targeted at building specific elements of a Canadian music industry. The CMF design is intended to be more robust, and more strategic. They pointed out that prior to 1997, SRDP budgets were increasing, but the departmental assessment was that this was not really building a Canadian music industry. Canadian Heritage carried out extensive consultations in 1998, and a new Program was crafted based on analysis of information collected.

Resources for the new Program came on stream in 2001-2002 as part of the “*Tomorrow Starts Today*” announcement. The recognition within Canadian Heritage was the need to build a Canadian music Small and Medium Enterprises (SME) sector complementary to the large international majors such as Sony, etc. This Canadian Heritage senior management group indicated that the Department of Canadian Heritage’s focus was on the music industry SMEs - many “stars” (such as Céline Dion) have come out of the talent lab of the SMEs, at least in the 1990s. Canadian Heritage wanted a Program that supported this sector.

The other layer in designing the best support to the music industry was to identify the public policy issues. As seen by PCH senior managers, the music industry straddles economic, social and industry development objectives. The emphasis of public policy in the 1990s was on economic development.

As the Department began the CMF design work, a back-to-basics cultural orientation emerged: the public policy focus centered on cultural content and less on economic development. PCH senior managers stated that the essence of cultural policy in the new millennium is to support the effect/impact of the cultural experience.

In the view of PCH senior managers, the CMF design needed to rely on targeted programs. The rationale was that the industry would get more results from multiple specific programs targeted at elements of the industry.

Taking into account the shift in policy focus, and the concept of targeted programs, PCH incorporated learned lessons of program design from other areas into the design of the CMF. Senior managers indicated that there were two main design objectives for the CMF:

- 1) clarity between cultural and economic objectives; and
- 2) better targeting of funds (i.e., focussing money on problem areas).

MEP was identified as a key component resulting from the two program design objectives cited above. PCH managers and Program staff stated that MEP is a critical component in determining whether there will be a music industry in Canada in the future. From their perspective, many of the music industry companies were facing challenges from the use of the Internet, especially the Canadian music SME sector which is small, fragile and under-capitalized. When exploring the potential design of MEP, PCH made the assessment that there were probably no more than 30 music sector companies that could be considered businesses.

One of the resulting structural issues is that there is no middle ground in the Canadian industry between the large international majors and the small Canadian SMEs. PCH's assessment of the industry was that Canadian music sector SMEs, as they existed, could easily be toppled, leaving the sector vulnerable to the decisions made by the large international majors. As a result, an element of the CMF was targetted at improving the robustness of the sector. This was the context in which MEP was designed.

In the opinion of PCH senior managers and Program staff, the design of the CMF supports Canadian Heritage's Strategic Objectives in the following ways:

Canadian content

- Each program has criteria regarding Canadian content and supports the creation of Canadian content.

Participation and engagement

- The CMF supports access via sound recordings and live performances.

Connections

- Music is a very strong common symbol.
- The CMF supports very diversified music, music from several cultural backgrounds.

Citizenship

- Attending live performances is a kind of civic and cultural participation.

4.2 Strengths of the CMF Design

4.2.1 Canada Music Council

Interviews with Canadian Heritage senior managers, Program staff, Canada Music Council (CMC) members and other industry stakeholders indicated that the establishment of the Canada Music Council was seen as a positive move towards getting the industry to work together, and to provide increased interaction among various provincial and national stakeholders. These interviewees felt that the Department of Canadian Heritage should ensure that the role of the CMC is enhanced through continuous consultation and collaboration in order to strengthen communications among the various industry stakeholders.

One of the key informants involved with the CMC listed examples of music industry issues which may benefit from the involvement of the CMC in the future. This list was intended to highlight the potential future role for a body such as the CMC. This industry participant stated that the CMF is a good starting point for industry support,

but the industry is at a critical juncture - there are other actions the Canadian government needs to take to strengthen the sector. Examples include⁸:

- The WIPO treaty (World Intellectual Property treaty) has been ratified in 33 countries, but not yet in Canada. The treaty went through Parliament in 1997 but has not received royal assent and become law yet;
- Anti-trust legislation is problematic in preventing firms from collaborating to provide a central music source. A mechanism is needed to challenge free music downloading companies such as Napster;
- Canadian content regulations are good and are foundational to promoting Canadian music. They need to be reviewed consistently to ensure that they are effective and applicable to the current industry environment;
- Tax system adjustments should be made to encourage Canadian talent to stay in Canada. In Ireland this has been done, with good evidence of success, where spin off economic benefits are realized by reducing taxes for artists to keep them at home and the ‘tax losses’ are more than made up by the advantages of having the talent continue to reside in Ireland; and
- Music education in Canada is not given enough attention and importance. The CMF is not focused on this area.

In the opinion of this industry stakeholder, the above issues are examples of areas where the CMC could play a central role, providing input, prompting change, etc. but this is for future consideration, as the CMC matures and solidifies.

4.2.2 Third Party Administrators

The design of the CMF also included delivery by non-Canadian Heritage Program administrators. Canadian Heritage senior managers, Program staff and industry stakeholders felt that this aspect of the CMF was beneficial in a number of ways:

- the administrators are close to and know the needs of the industry, and are better positioned to assess the quality of proposals;
- most are experienced administrators with a track record of working with the industry in a variety of programs. The dynamics of delivery are based on daily

⁸ Program staff added clarifications to some of the points: the WIPO treaties have been signed by Canada in 1997, thereby indicating support for the treaties. However, in order to ratify the treaties, Canada will need to amend its Copyright Act. The Government has indicated that it will proceed with ratification on a priority basis; music education is a provincial jurisdiction - it would be more accurate to reference “professional training”.

- interaction with industry stakeholders;
- the administrators enhance the credibility of the program, due to their history with industry participants; and
- delivery by third party administrators provides more timely response.

4.2.3 Music Entrepreneur Program

From the point of view of the Program designers and other industry stakeholders, a program such as MEP which provides hefty support to selected companies was one of the missing pieces in the previous SRDP. MEP is seen by those involved in industry structuring as a central ingredient for the sustainability of the Canadian music sector in the rapidly evolving international competitive environment.

4.3 Challenges with the CMF Design

Industry stakeholders and government officials perceived the CMF as an evolution of the previous SRDP. Key informants in all groups identified a number of areas that require strengthening in the design of the CMF. There were also other issues that industry stakeholders felt that the new design did not address. These are discussed in the following section.

Areas Requiring Strengthening Identified in the CMF Program Coverage

- Several sector players expressed concerns about inadequate funding to their area through the CMF (e.g., distributors, publishers live performances).
- Skill development in a number of areas (e.g., entrepreneurial and business development skills) important to the music industry is not broadly included in the CMF programs.

Discussion of these Areas

- *Distributors*

A number of the interviews with industry stakeholders identified distribution as one of the areas requiring strengthening in the design of the CMF. At the same time, from

research conducted for the evaluation, support to distributors of non-mainstream music appears to be available through the Canadian Musical Diversity Program administered by the Canada Council for the Arts (CCA). During the interview with CCA representatives, consultations with distributors to examine aspects of the CMF funding were referenced. This may be useful in identifying the perceived weaknesses in the CMF's support to distributors.

- *Publishing Industry*

Industry interview participants, particularly those involved in some way with publishing, reported that the music publishing industry is not well funded under the CMF, with funding generally focused on the recording industry. Songwriter funding tends to go towards creators/songwriters who are also artists/performers rather than just songwriters. These interview participants indicated that a study commissioned by Canadian Heritage had clearly shown the importance of the publishing trade.

Industry stakeholders expressed the opinion that there are very few publishers in Canada because there is no support for them. In their view, without support, the publishing trade will disappear and/or will be taken over by multinationals (who have limited appetite for grooming Canadian talent) or by record companies (most of which see music publishing simply as additional revenue rather than an opportunity to develop talent and markets). However, from the perspective of the Program staff, independents choose to sell their rights to multinationals.

One publishing industry stakeholder stated that cheaper and better technology allows artists to short-circuit producers since they can self-produce and will soon be able to distribute their songs by themselves on the Internet. From his perspective, while the producer is losing power, the independent publisher is gaining because of a growing need to find other, non-traditional outlets for music (e.g., Internet).

The publishing industry is quite distinct and from the point of view of industry participants needs industry funding too, but more to seed the new companies and help them become/stay viable. This may help stem the reported current flow of music publishers out of Canada.

La Fondation MUSICACTION indicated that it is going to open the New Musical

Works Program to publishers, allowing them to present projects for demos and promotion.

- *Live Performance*

An industry association representative stated that the market for live performances is strong but the CMF has little means to act in this regard. This was followed up by a Canadian Heritage official who felt that the live performances and touring components of the CMF are weak: they could become a key factor in the face of diminishing record sales.

- *Skill Development*

Canadian Heritage senior managers identified that the design of CMF at the present time does not address industry wide skill development (e.g., entrepreneurial and business development skills). This should be considered over the next two to three years in terms of future funding arrangements.

Other challenges identified by interview participants in the design of the CMF:

- One administrator noted that CMF support cannot be used to fund non-Canadians. In the administrator's opinion, this financing rule should be relaxed to better support promotional efforts in France where a very large market exists for francophone companies. This criteria may also make it difficult to fund collaborative/partnership efforts with non-Canadians which might be similar to co-productions in the film industry.
- Many of the industry stakeholders (i.e., administrators, associations, CMC representative) during the interview phase expressed concern about the CMF and new technology. From their point of view, the CMF is based on the objective of producing an album in CD format. With record sales diminishing rapidly, one should question whether it is still pertinent to reward this traditional approach to music marketing. Using the Internet for music delivery will most likely necessitate partnerships with foreign stakeholders, requiring a different funding approach.



- With the multiplicity of administrators and programs, there is a lack of real integration and coordination at an industry level. This role was identified as belonging to Canadian Heritage. The Department has been instrumental in ensuring that results and information have been forthcoming from the administrators. However, it can also provide the required coordination activities to increase effective collaboration among the administrators as well as within the industry. Previously, meetings with the administrators were held by Canadian Heritage. In the opinion of the administrators and other industry stakeholders, these meetings are important not only to focus on solving problems or discussing issues, but primarily for meaningful exchange of information.
- Key informants in all categories also noted a lack of clear, quantifiable objectives set for the Fund, making it difficult to measure and account for results. The key results are seen as being too vague and difficult to measure. At present, the interview participants noted that the indicators identified in the Fund RMAF have not been set in motion.
- Key informants in all categories also stated that there was difficulty in determining how cultural and business development objectives were to be balanced in the design of the Fund. The line between entrepreneur and artist is constantly being tested.
- Canadian Heritage senior managers indicated that because of the multiplicity of program administrators, there is less flexibility for Canadian Heritage to move resources between Fund programs to respond to specific circumstances which may arise in the industry.
- Industry stakeholders and Canadian Heritage officials felt that the three-year timeline for the initiative makes long-term planning difficult.
- Some interview participants raised issues of administrator transparency. Some administrators do not publish the amounts of CMF assistance provided under their program, and the way in which decisions are made is not always clear.
- It was evident from the surveys of applicants that there is confusion among some applicants (primarily individual artists) with regard to the number of programs of the CMF, and how the Government of Canada is involved.

4.4 Adequacy of Fund Delivery - the CMF overall

The evidence from key informant interviews and survey respondents is that the CMF is being implemented as intended. Some areas have been slow in implementation and have experienced delays, in particular, the two programs administered by Canadian Heritage, the Support to Sector Associations Program and the Policy Monitoring and Database Development Program. The Music Entrepreneur Program undertook an extended design phase, but did not experience extended delays in implementing Phase 1 (Support for the Development of Business Plans) and Phase 2 (Support for the Implementation of Business Plans) approvals. At the present time, Phase 2 has not been fully implemented.

4.4.1 Overlap in clients

Administrators of the Canadian Musical Diversity Program, the Collective Initiatives Program and New Musical Works Program indicated that there is a natural and legitimate overlap in the clients served by CCA, FACTOR and MUSICACTION, since a single client could qualify under several programs. It should be noted, however, that these administrators also serve clients who do not qualify under each other's programs.

There are also some issues concerning clarity of program eligibility criteria, primarily between CCA and FACTOR. One of the administrators notes that the other is referring clients who don't qualify for their funding, when they are clearly not an eligible client. The administrator feels there is a need to ensure staff in other administrator organizations are clear about each other's eligibility requirements.

4.4.2 Satisfaction levels among participants

Overall, there is a relatively high rate of satisfaction among participants in the CMF. The highest areas of satisfaction as rated by survey participants are:

- outcomes from projects (93%)
- helpfulness of administrator staff (89%)
- availability of administrator staff (87%)
- availability of information about Fund (87%)

The lowest areas of satisfaction overall are:

- requirements for reporting (70%)
- timeliness of payments (67%)
- timeliness of decisions (60%)
- amount of work required for application (57%)

When asked to compare the CMF to the SRDP, two thirds of those who had applied and received funding under the previous Program reported that the changes under the CMF were improvements. Approximately one-half of recipients hear about a specific program under the CMF through word-of-mouth or informal networks.

4.4.3 Administrative costs of delivering the CMF

The following Table 6 indicates the administrative costs for both the Department of Canadian Heritage and the administrators of the programs to deliver the CMF. Less was spent on administration during the transition year from the SRDP to the CMF, but has increased as program delivery has fully come on stream. Between 2001-02 and 2002-03, Canadian Heritage has spent \$2.14 million, with the expectation that \$3.6 million will be spent during the three years of Fund implementation. The administrative costs vary from program to program, with \$6.8 million forecast to be spent between 2001 and 2004 on program administration. The total amount indicated for administration costs of the CMF is \$10.4 million over three years.

Table 6 - CANADA MUSIC FUND Administration Costs



ORGANIZATIONS	COSTS (in \$'000)			
	2001-02 -Actual- Transitional Year	2002-03 - Actual-	2003-04 -Forecast-	TOTAL
A. CANADIAN HERITAGE				
Administration costs related to SRDP (CMF's predecessor); to Dec. 31, 2001	363			363
Administration costs related to CMF (excluding CMC); January 1, 2002 to March 31, 2002	121	904	992	2,017
Administration costs related to CMC.	250	500	500	1,250
TOTAL - Canadian Heritage	734	1404	1492	3630



ORGANIZATIONS	COSTS (in \$'000)			
	2001-02 -Actual- Transitional Year	2002-03 - Actual-	2003-04 -Forecast-	TOTAL
B. ADMINISTRATORS (administration and communication expenses claimed by Administrators and reimbursed by the Department)				
-SOCAN Foundation * (Creators' Assistance Program)	45	62	62	169
-FACTOR * (New Musical Works Program)	322	846	846	2,014
(Collective Initiatives Program)	68	144	144	356
-MUSICACTION * (New Musical Works Program)	228	564	564	1,356
(Collective Initiatives Program)	96	116	116	328
* Note: 2003/04 forecast budget is the same as budget in previous year.				
-Telefilm Canada (Music Entrepreneur Program)	0	1,385 (Note: 836 reimbursed to date)	700	2,085
-National Library of Canada (\$14% - as per MOU)	0 (as per annual report)	18 (as per annual report)	50.4 (estimated at max. 14%)	68.4
-Canada Council for the Arts (14% - as per MOU) * annual report is silent on admin costs; therefore 2002/03 admin costs of 8.5% were applied)	*103.2	120 (as per annual report)	196.9 (estimated at max. 14%)	420.1
TOTAL - Administrators	862.2	3255	2679.3	6796.5
TOTAL - Canadian Heritage and Administrators	1596.2	4659	4171.3	10426.5

4.4.4 Policies supported by third party agreements

The third party agreements with administrators support policies such as the Official Languages and Aboriginal policies. Administrators are expected to make reasonable and appropriate efforts to encourage participants from Canada's First Nations People and from the official language groups in Canada. MUSICACTION has been specifically requested to engage francophones outside of Quebec. In response to this request, MUSICACTION has put in place a consultative process concerning this group and has reported on progress in their Annual Report.

4.4.5 Repayment mechanisms

For two of the main administrators (FACTOR and MUSICACTION), there has historically been a process of repayment by recipients for some portions of funds received via programs administered under the former SRDP. If a recipient reached a certain level of success with a product for which he/she received funds from the program, he/she would be expected to repay a portion of the funds to the administering organization. These funds would then be reallocated to other program applicants.

There appears to be confusion concerning this aspect of the CMF. The administrators understanding of this process is that it still exists for projects under the New Musical Works Program, however, repayments must now be made to the Receiver General of Canada (according to Treasury Board guidelines), rather than directly to the administrators. Thus, from their perspective, there is no reallocation of funds directly back into the industry.

In addition, key informants explained that this change in approach to repayments has created some challenges. These include funding potentially fewer projects because reallocation from repayments is now not possible, a reduced incentive to repay because there are no direct benefits to the industry, and an inability to use repayment as a success indicator (e.g., one administrator indicated that previously, repayment amounts were considered indicators with regard to project success).

On the other hand, Fund staff stated that repayments are made to FACTOR from the first copy sold and to MUSICACTION after the 10,000th copy. The repayments from the beneficiaries are still made directly to the administrators (not directly to the Crown)

who then may have to repay the Crown.

This issue is of importance to the administrators and to the Department alike, and will most likely be clarified this fiscal year.

4.5 Likelihood of the CMF Meeting its Objectives

There are three main challenges in determining the likelihood that the CMF will meet its objectives: lack of clear objectives, lack of performance measurement, and delays in implementation. As previously stated, a number of key informants indicated that the CMF lacks clear, quantifiable objectives, making it difficult to measure and account for results. This may require a revision to the RMAF to ensure that objectives are clearly stated and understood by administrators and key stakeholders.

The second issue that poses a challenge in being able to determine the likelihood that the CMF will meet its objectives is that there is little performance information available on the CMF outcomes. As of the time of the evaluation study, implementation of the CMF RMAF had not occurred. Ideally, at this period in implementation, there should be an RMAF in place that clearly outlines the results expected, the measures developed, a timeline and approach for data collection, and agreed upon responsibilities for data collection and analysis. This ongoing approach to performance measurement is needed if an evaluation is to accurately determine the likelihood that the CMF will meet its objectives.

Finally, the third challenge in determining whether the CMF is likely to meet its objectives is that there have been delays and phased implementation approaches used in implementing the CMF. As a result, it is difficult to predict at this point the likelihood that the CMF will meet its objectives. At the time of the evaluation study, one of the main programs which accounts for approximately one-quarter of the funding allocated through the CMF (MEP), and which had been defined as the “key component” of the CMF, has not yet been fully implemented due to using a phased approach to implementation. As well, there were considerable delays in the Support to Sector Associations Program. Finally, there has been very little implementation work completed in the area of the Policy Monitoring and Database Development Program.

Despite these very real challenges for the CMF’s current ability to demonstrate success in meeting objectives, the opinions of many of the stakeholders and findings from the

survey of successful applicants illustrated that progress was being made with regard to:

- the creation of Canadian musical products;
- adaptability of artists and the industry to different markets and delivery channels; and,
- Canadians enjoying increased access to diverse Canadian music.

The survey of applicants across programs demonstrated that participants are generally very satisfied with the success of their individual projects.

4.6 Performance Measurement and Reporting

Findings from the key informant interviews, surveys of applicants and document review indicate that there has been little progress achieved in the area of performance measurement and reporting. While it appears that there is performance information being collected on a per project basis, there was little indication that this information was being compiled and utilized by administrators, on an ongoing basis, in managing their programs, or the CMF overall.

Information collected from the survey of participants provides evidence that results/performance information is being reported to program administrators by program participants. The following indicates the data that are reported:

- 96% reported financial information
- 77% reported on changes to projects
- 73% reported on project success
- 70% reported on project impacts/results
- 65% reported on progress in implementing projects

At the same time, from an analysis of documents and from key informant interviews, there is no clear indication as to the extent results/performance information is being compiled, analyzed and used by administrators in managing individual programs. The same is true for the extent to which results/performance information is available, is being analyzed and utilized by Canadian Heritage in managing the CMF overall.

For example, information provided by Canadian Heritage for the evaluation was sometimes incomplete or incorrect with regard to the application and decision process being utilized by the various programs. In most instances, the bulk of performance

information is maintained at the implementing organizations' level (e.g., individual project outcomes, project impacts), and is not compiled and transferred to Canadian Heritage, in an ongoing manner, that could be useful for managing the CMF overall.

From the review of Annual Reports submitted by the CMF administrators, the reporting focus appears to be on activities and outputs with less emphasis on results or impacts. The Annual Reports are currently the primary vehicle for program reporting.

While it appears that individual administrative systems at the administrator level may be sufficient to deal with program implementation, there does not appear to be a system or plan in place for consistent roll-up of data to the Fund level (i.e., there are no common indicators on which all administrators report). One of the issues raised during the key informant interviews was that it is currently not possible to determine the number of specific products (videos, performances, CDs, etc.) supported through the CMF funding overall.

Related to this is the lack of evidence from the evaluation research that the RMAF developed for the CMF has been distributed or implemented. This may be due to its late development (December 2002).

Another reporting issue identified during the course of collecting data for the evaluation sampling frame is that reporting streams are structured according to projects rather than applicants. This applies to all databases as well as the Annual Reports.

This creates a situation where:

- it is challenging to disentangle project impacts for recipients with multiple projects; and
- the impacts that can be tracked are at the project level rather than at the organizational level and the industry level. For example, some questions that may be asked are:
 - ▶ Does the CMF get different results from funding a smaller number of organizations with multiple projects per organization, or from funding a larger number of organizations with fewer projects per organization?
 - ▶ Are there incremental impacts if an organization receives funding from multiple programs under the CMF?

4.7 Considerations for Future Evaluations



The current evaluation was formative in nature with emphasis on the Fund's design, delivery and implementation. The next planned evaluation will be summative with a greater focus on the Fund's success and impacts. The evaluation team, in conducting the current study, made note of a number of issues that may have an impact on the success of the summative evaluation.

- Response rates for the survey of Fund participants were relatively low due to the inability of the research team to make contact via phone with participants. This was not an issue of data quality, as the number of incorrect addresses and telephone numbers was relatively low overall. Instead, it is likely that potential respondents were not available by phone. Those conducting future evaluations may consider alternative methods of surveying such as using mail, fax forms, etc. Cover letters from the administrators outlining the importance of the evaluation and survey may also contribute to a higher response rate. In addition, determining prior to the evaluation the information that can be collected through regular monitoring would also assist in ensuring sufficient data are available.
- The paucity of performance information means that additional data collection will likely be necessary at the summative evaluation stage unless considerable, rapid progress is made in collecting performance information within the next few years. The quality and quantity of performance information will need to be assessed prior to the development of the methodology for the summative evaluation.
- Although the CMF has overall objectives, one aspect of the current evaluation was to report by individual programs (see appendices) in addition to reporting at the CMF level overall. This decision on the reporting level was made relatively late in the study (data collection stage), and as a result had an impact on the timing of the study, as well as the quality of the analyses that could be conducted. The decision to report according to programs was valid in that the Canadian Heritage Fund staff, administrators and other users of the evaluation findings indicated that they would need both levels of reporting (Fund and programs) to truly understand the required changes or modifications. The decision on whether any future evaluation is to focus on the CMF overall and/or its individual programs should be taken very early in the evaluation process.

5.0 Recommendations, Management Response and Action Plan

5.1 Adequacy of Program Design and Implementation

Recommendation 1: Consider areas, i.e., design/delivery concerning distribution, publishing, live performance and training requiring strengthening. Discuss considerations with industry stakeholders and the Canada Music Council (CMC). Industry stakeholders and Canadian Heritage officials identified the above-noted areas that required strengthening in the CMF. These areas should be noted and discussed with industry stakeholders, since some administrators are conducting additional research in these areas. The information gathered from this research should be made available to the overall Fund to identify strategies to deal with distribution, publishing, live performances and training to ensure that research overlap does not occur.

Management Response: *Recommendation accepted.*

- A number of issues identified in the report have already been considered by the Department and have been topics of discussion with administrators, stakeholders and the Canada Music Council.
 - The Department will undertake analysis this fiscal year and in the next fiscal year to identify priority funding areas for the second generation of the CMF. The Department considers that gaps are not so much in the CMF's design but are rather in determining those areas that are priorities for funding assistance, given limited financial resources.
- Implementation Date: January 2004*

Recommendation 2: Strengthen the role of the Department of Canadian Heritage in terms of overall coordination for the CMF.

A number of interview participants in all categories felt a lack of coordination for all eight programs of the CMF. There is clarity with individual administrators on their individual program, but many industry stakeholders are looking to Canadian Heritage to provide the overall view of the CMF, and to bring all the administrators together for information sharing discussions. These discussions should result in identifying appropriate collaboration/coordination activities for all partners.

Management Response: *Recommendation accepted.*

- The Department is assuming its leadership role with administrators.
- Administrators' plenary meetings are held on a quarterly basis and are a forum to discuss issues of common concern.
- The Department is holding more frequent meetings with administrators in order to address specific issues of common concern and solutions.

Implementation Date: June 2003

Recommendation 3: Review the repayment mechanisms in terms of industry building.

For FACTOR and La Fondation MUSICACTION, the repayment mechanisms with which they have worked for many years are extremely important. Canadian Heritage Fund managers should clarify the issue with the administrators.

Management Response: *Recommendation accepted.*

Implementation Date: November 2003

5.2 Likelihood of Meeting Objectives, and Performance Monitoring and Reporting

Recommendation 4: Revise and implement the Results-based Management Accountability Framework (RMAF) for the CMF.

Given the feedback during the evaluation study, there is a need to clarify objectives and expected outcomes, clearly communicate them to stakeholders/delivery partners and update the Program's RMAF. Once the RMAF has been revised, the program needs to share and implement it to ensure consistency and appropriateness of data collection. There is a distinct need for a performance measurement system with appropriate indicators and data collection methodologies.

Management Response: *Recommendation accepted.*

- The original RMAF was revised and clarified in December 2002. The Department believes that the objectives in the updated RMAF do not require further revision provided they are well-communicated to administrators. A training session for administrators and staff is being planned.

Implementation Date: May 2004

Recommendation 5: Implement the Policy Monitoring and Database Development Program to ensure adequate, systematic collection and analysis of information to track program performance.

A key element of the CMF for the monitoring and tracking of performance information and ensuring that the CMF is able to demonstrate its success in meeting objectives is the Policy Monitoring and Database Development Program, administered and implemented by Canadian Heritage. Interviews held with Canadian Heritage Program staff indicate that many aspects of the program are still under development. Efforts should be made to have this program functioning as soon as possible to ensure consistent data collection and reporting.

Management Response: *Recommendation accepted.*

- The Policy Monitoring and Data Base Development Program has been implemented.
- The Department has developed a data collection and measurement strategy with all partners.
- The Department has developed a performance “report card” that will be updated each year.

Implementation Date: September 2003

Recommendation 6: Data collection should occur in such a manner that both project-level and higher-level outcomes can be monitored and reported.

The evaluation team spent considerable resources manually going through project lists provided by administrators to determine the actual number of beneficiaries across the CMF. The outcomes identified in the RMAF for the CMF are at the stakeholder, artist, firm, organization, or industry level. With the reporting systems’ current structure, the project-level focus in reporting will likely not support higher-level monitoring.

Management Response: *Recommendation accepted.*

- Data collection is occurring with both project-level and higher-level outcomes in mind.

Implementation Date: September 2003



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Appendices



Appendix 1 - Evaluation Findings by Program

Appendix 1-1 Creators' Assistance Program

Administrator	Client Base	Funding	Focus of Funding
SOCAN Foundation	Canadian Creators (songwriters, composers of popular, concert and film music, etc.)	Contributions: 2001-2004: \$3M (\$1M annually)	Collective initiatives specifically aimed at creators to develop their craft and business skills, and to promote the presence of Canadian creators and songs.
<p>Objective: The Creators' Assistance Program aims to ensure the ongoing renewal of Canadian musical talent by providing creators with opportunities to perfect their works and business knowledge.⁹</p>			

Adequacy of Program Design

Strengths

An important aspect of the Creators' Assistance Program (CAP) in the opinion of the program administrator is the inclusion of music creators, a group that was previously overlooked under the SRDP. The administrator views CAP as a relatively small but important program within the CMF. This is due to the program focus on creators - a group that has often been neglected in terms of industry support, yet is seen as critical in the music chain.

In the opinion of the administrator, CAP program has a good reach across Canada in providing support for songwriters. From his perspective, the SOCAN Foundation is a national and bilingual organization, involved in similar types of granting programs prior to the CMF, so it was a natural fit to use the SOCAN Foundation as the administrator for the Creators' Assistance Program.

The SOCAN Foundation has an existing network nationally and procedures already in place to disburse the funding. The Foundation provides funding for a broader reach of

⁹ Annual Report, Creators' Assistance Program, SOCAN Foundation July 30, 2002



projects than those considered under the CAP requirements (i.e., CAP places priority on national and regional organizations), while the SOCAN Foundation also provides grants to local organizations. In the view of the administrator, this is not seen as problematic, and makes sense in terms of use of federal funds. He feels that the program has increased the potential for enhanced collaborations and partnerships.

Challenges

None were identified.

Adequacy of Program Delivery

As indicated in the program guidelines, recipients must be organizations rather than individuals. The administrator indicated that many of the SOCAN Foundation beneficiaries are small organizations and CAP can provide needed start up money for their projects such as workshops, seminars and songwriter's circles.

In the administrator's opinion, the program is working very well operationally. He reported that the first year of the program was rather frustrating and rushed due to implementation issues - getting the Contribution Agreement ironed out, scheduling reporting and completing the Foundation audit. The second year is expected to run smoothly as the Foundation will have better information from beneficiaries and more time to pull reporting together.

Likelihood of Meeting its Objectives

As reported by the administrator, the CMF funding has allowed for a much better reach across Canada in support of songwriters. This group of artists are often rather isolated, working independently without a lot of opportunity to share and exchange. He stated that anecdotal information to date is very positive as the CMF funded sessions through CAP are bringing songwriters together to collaborate and form partnerships as well as to share ideas.

The administrator feels that three to five years of soft funding would be needed to be able to trace specific success stories, like a songwriter attending an event and getting connected to a recording success. The administrator knows from experience in the

sector that these kind of “success stories” do happen and the monetary dividends are realized. In his opinion, the success factor should be increased now that CAP supports events across the country.

Of those CAP recipients surveyed, four projects indicated that individual project objectives had been met. None of the four projects reported that the CAP funds assisted them in leveraging additional funds from other sources. All four projects would not likely have been implemented without the CAP funding.

Performance Measurement and Reporting

The administrator reported that the SOCAN Foundation contacts the beneficiaries on a monthly basis and receives an updated statement of spending and what funds are required for the next period. This information is submitted in a spreadsheet to Canadian Heritage via e-mail. The requested funds are received within one to two weeks. The SOCAN Foundation annually submits both a business plan and an annual report. The administrator does not see a need to make any changes to this process at this time.

The administrator also stated that the SOCAN Foundation is encouraging beneficiaries to collect more information, on an ongoing basis, about the benefits of the funding (e.g., pictures from workshops and testimonials from participants). In addition, post-session feedback from participants is being obtained through questionnaires.

Appendix 1-2 Canadian Musical Diversity Program

Administrator	Client Base	Funding	Focus of Funding
Canada Council for the Arts	Canadian artists and record companies and distributors of specialized music.	MOU/Vote Transfer: \$4.5M (\$1.5M annually)	Project-specific assistance for production and distribution of Canadian specialized music recordings
Objectives: To ensure production and distribution of specialized music recordings, reflecting Canadian diversity.			

Adequacy of Program Design

Strengths

The administrator reported that the Canadian Musical Diversity Program (CMDP) is comprised of three components:

- production,
- distribution, and
- support to the Canada Music Centre.

The Canada Council for the Arts (CCA) was providing grants for specialized music sound recording under the previous SRDP. From information contained in the Canadian Musical Diversity Program Annual Report, the amount available for this activity was substantially increased under the CMF (from \$750K to \$1.5M¹⁰ annually), enhancing the ability of the CCA to assist this community of interest (i.e., specialized music) as well as to support two large and long-term projects of the Canadian Music Centre.

In the opinion of the administrator, the Canadian Musical Diversity Program has initiated an important change for the CCA from the previous SRDP in including support to distributors in the program. This is a new program facet for the CCA.

¹⁰ Information provided by Fund staff

The administrator reported that assistance to distributors was included in the SRDP and was administered by Canadian Heritage and FACTOR at different times. In her view, an important difference between the SRDP and the CMF is that when funding to distributors was administered as part of the overall funding (such as the case with the SRDP), distributors as a group were dwarfed by larger operations and did not receive the attention they needed.

In the administrator's opinion, this recognition of distribution by smaller operations is an important component of the CMF. The funds assist distributors of specialized music, who operate differently than mainstream distribution channels. These distributor operations have strong artist relationships, and they are important to the success of artists funded by the CCA.

The third component of the Canadian Musical Diversity Program is funding to the Canada Music Centre, a non-profit organization founded in 1959 devoted exclusively to works by Canadian concert music composers. Funding through the CMDP is supporting two of the Centre's projects - one focussed on the recording of Canadian composers, and another to support the Centre's distribution activities.

One of the strengths of the CMF identified by the CMDP administrator is to use existing organizations as the third party program delivery agents. The administrator stated that the CCA is well positioned to administer the CMDP because it has existing relationships with the program participants, understands the dynamics of distributing non-mainstream music and has a respected, peer adjudicated grant system/process in place. The CCA also has a strong relationship with the Canada Music Centre.

Challenges

The CMDP Annual Report states that the program managed by the Canada Council for the Arts is now called the Canadian Musical Diversity Program. However, for the purposes of continuity to its client base, the Music Section chose to continue to refer to it as "Grants for Specialized Music Sound Recording". All program documents publicly acknowledge Canadian Heritage through the CMF as the new source of funds. Reporting and tracking of results is done on a program basis.

The administrator considered that in the first year the funding criteria to distributors was narrow and restrictive (i.e., in the words of the administrator - 'tight'). The CCA hopes



to conduct consultations with distributors to see if changes are needed in the eligibility rules. At the time of the interview, there were only six distributors who had received funding. The CCA is concerned that inappropriate eligibility rules may limit the impact of the CMF on the distribution community. From its perspective, the key is to ensure that funding is well linked to build the chain between distributors and production.

Adequacy of Program Delivery

CCA reported during the interview that production and distribution funding through its program takes the form of grants. Applications are solicited from the community and adjudication is done through a peer panel, as is CCA practice with other grants distribution. The administrator fully supports third-party delivery and feels it is working quite well. CCA has the processes in place to ensure the funding reaches its national and diversity targets, and that the grants process is, and is seen to be, a fair and equitable use of public money. In the opinion of the administrator, this arm's length delivery takes the political element out of the equation.

Administrative costs for administering the CMDP are funded at 14% , a figure devised by CCA when the Memorandum of Understanding (MOU) was created. According to the administrator, this covers requirements at present.

Respondents to the participant survey reported that the areas of highest satisfaction are:

- Reporting requirements (96%)
- Timeliness of payments (93%)
- Helpfulness of staff (93%)
- Clarity of program information (89%)
- Availability of staff (89%)
- Availability of program info (85%)
- Timeliness of decisions (82%)

They also reported that the area of lowest satisfaction is the amount of work required to complete the application (70%).

Challenges

The administrator reported that under the CMF there are increased ad hoc information

requests/demands. It takes time to prepare information requests for data, statistics, input for briefing notes, etc. As outlined in the CMF MOU, formal reporting requirements are annual, but are much more frequent in practice. If Canadian Heritage finds that they need more information, she felt that perhaps there should be other reporting formats, such as quarterly reports. This might assist in providing the information when it is needed and avoid urgent requests.

Likelihood of Meeting its Objectives

Attribution is a real problem in measuring the CMF outcomes or success through the Canadian Musical Diversity Program, notably related to the production funding. Artists are required to report on production and the CCA holds back some funds until reporting is complete. Reporting requirements include five copies of the recipient's CD, one of which is sent to the National Library for the Canadian Music Memories Program. In terms of 'success' of the artist, CCA has approximately \$26M allocated to other music related grants/programs. The same artist may get funding under multiple programs - this is in fact seen as desirable. The administrator stated that CCA is currently unsure how to overcome the attribution issue.

According to the survey of applicants:

Incrementality

- 1 out of 3 of unsuccessful applicants conducted their project unchanged without the funding
- 11% of successful applicants would have gone ahead with the project with no changes if they had not received funding

Preliminary Results on Outcomes

- 100% satisfied with outcomes from funded projects
- 95% reported project "completely achieved objectives"
- 5% reported project "somewhat achieved objectives"

Leverage

- 16% reported that CMDP funding assisted them in obtaining additional funds from another source

Performance Measurement and Reporting



CCA provides annual reporting as required in their MOU with Canadian Heritage. In the opinion of the administrator, CCA has an excellent data system for management of the grants process. Artists/distributors provide a report when a project is completed.

As reported by the administrator, the Canada Music Centre receives three year funding, provided yearly based on annual reporting of activities and accomplishments in the previous year, as specified in a Letter of Agreement between CCA and the Centre. The annual funding is approved by the CCA Board. This funding is project-based in response to the Centre's proposal for a 'Great Composers Series' and work to digitize their collection.

Appendix 1-3 New Musical Works Program

Administrator	Client Base	Funding	Focus of Funding
FACTOR MUSICACTION	Canadian artists, artist managers, music publishers and record companies	Contributions: 2001-2004: \$37.3M 2001-02: \$10.7M 2002-03: \$13.3M 2003-04: \$13.3M	Project-specific assistance to artists and entrepreneurs to develop and promote musical works (songs, recordings, tours, videos)
Objectives: To develop talent and expertise in small business and the next generation of music talent (in order to develop and renew the sound recording industry).			

Adequacy of Program Design

Strengths

Administrators stated that New Musical Works Program (NMWP) existed under the SRDP. There is increased funding under the CMF and in the opinion of the administrators, the eligibility criteria have “loosened up a bit” as they can now accept applications from Canadians living abroad. Otherwise the New Musical Works Program is funding the same activities and the basically the same client types/sectors as the previous program.

They also stated that the New Musical Works Program is more flexible than its previous incarnation, allowing applicants to more easily modulate how they budget. In their opinion, the CMF is an improved design for the delivery of the New Musical Works Program, allowing the administrators to be more responsive to sector needs. They felt the present program is much more efficient to deliver in its current format and the involvement of experienced administrators lends credibility to the process.

Challenges

FACTOR raised an issue of concern to them about the percentage allocation of funds between the two administrators of this program - FACTOR and MUSICACTION. The current split in funds is 60% (FACTOR) to 40% (MUSICACTION). Based on the population served, FACTOR was of the opinion that their percentage of the funds should

be higher.

The repayment mechanism currently applied under the CMF has created difficulty for some of the administrators. For the two administrators (FACTOR and MUSICACTION), there has historically been a process of repayment by recipients for some portions of funds received through programs administered under the former SRDP. If a recipient reached a certain level of success with a product for which he/she received funds from the program, he/she would be expected to repay a portion of the funds to the administering organization. These funds would then be reallocated to other program applicants.

Under the CMF, this process still exists for projects under the New Musical Works Program. However, repayments now must be made to the Receiver General of Canada (according to Treasury Board guidelines) rather than directly to the administrators. As a result, there is no reallocation of funds directly back into the industry. During key informant interviews, respondents explained that this different approach to repayment has caused some challenges. These include funding potentially fewer projects because reallocation from repayments is now not possible, a reduced incentive to repay because there are no direct benefits to the industry, and an inability to use repayment as a success indicator (e.g., one administrator indicated that previously, repayment amounts were considered indicators with regard to project success).

As reported by FACTOR, the administrative budget for the New Musical Works Program as proposed at the outset of the program was 12.5%. This was a slight decrease from the previous 13.5% under SRDP. At present, they do not consider this adequate. It is the evaluation team's understanding that the administrator is able to request modifications by filing a business case with Canadian Heritage.

An expense not fully considered in the design of the New Musical Works Program that has had an impact on administrative costs is the need to keep a national face on the program and maintain a regional presence. In the case of FACTOR, advisory boards do this but expenses are incurred to keep these advisory boards active.

In the opinion of one administrator, the audit requirements imposed on the New Musical Works Program participants (and the administrators) are excessive: the administrator stated in the interview that they have to verify each invoice and each cashed cheque for 1,000 projects. She feels that this is particularly unreasonable in instances where there are several projects funded with the same company.

Adequacy of Program Delivery

An opinion was expressed about the need for more sharing of information between the various administrators in order to learn from each other. Previously, meetings involving the program administrators were previously held by Canadian Heritage. These were very useful, as they were focussed on solving problems or addressing specific issues. It was felt that more meaningful information sharing of this type would assist administrators to improve their management approaches.

One of the program managers expressed concern about the composition of the Boards of Directors of FACTOR and MUSICACTION, indicating that:

- many Board members are recipients of program assistance; and
- there is a risk of conflict of interest or, at least, of the appearance of conflict.

This issue did not arise from other lines of inquiry. However, the study team understands that in those cases where a board member may have a vested interest in a board decision, they remove themselves from the discussion and the voting procedure.

Likelihood of Meeting its Objectives

Administrators feel that the program is a big success - evidenced by the networks developed, records produced, artists participating and certifications obtained. There is a stronger sense of community being developed in the regions through their national advisory board. One indicator of success is that the industry sales are down this year by 16%, yet the FACTOR loan repayment rate is up by 12%. This would indicate that New Musical Works Program projects are achieving sufficient success rates (e.g., CD sales) to require them to provide repayments.

The survey of successful and unsuccessful applicants indicated:

Incrementality

- 42% of unsuccessful applicants conducted their project unchanged without the funding
- 9% of successful applicants would have gone ahead with the project with no changes if they had not received funding

Preliminary Results on Outcomes

- 93% satisfied with outcomes from funded projects
- 58% reported project “completely achieved objectives”
- 28% reported project “somewhat achieved objectives”

Leverage

- 21% reported that NMWP funding assisted them in obtaining additional funds from another source

Performance Measurement and Reporting

When asked about performance measurement and reporting, administrators stated that they provide Canadian Heritage with an annual business plan and an annual report. One administrator is recommending that the business plan submission date be changed. It is due at the end of February each year and FACTOR loan repayments are due February 28 each year. There is a need to reconcile and manage the funding flows in order to pull together the business plan. They cannot change the loan repayment timing as they have had the same deadline in place for years, it is well known within the industry and is also linked to industry reporting standards. The respondent’s recommendation would be to move the CMF business plan submissions to mid-March in order that the most up-to-date information can be provided.

Appendix 1-4 Music Entrepreneur Program

Administrator	Client Base	Funding	Focus of Funding
Telefilm Canada	Established Canadian sound recording firms/labels/undertakings.	\$23M over 3 years (implementation delayed by one year to 2004-05) 2001-02: \$3M 2002-03: \$10M 2003-04: \$10M	Selective, per company assistance for technology-related transition measures and to improve musical content development and dissemination capacities.
Objective: To support the emergence of a core of Canadian firms to ensure/allow for the development of Canadian music.			

Adequacy of Program Design

Strengths

The program administrator, CMC representatives, Canadian Heritage officials and industry stakeholders stated that MEP represents a move away from project-based funding to supporting the industry through strengthening selected entrepreneurs. MEP is a design attempt to solidify a core of industry leaders and to consolidate the industry.

Challenges

From the point of view of one of the program administrators who was involved with the design of the CMF, MEP is seriously underfunded. While 26 companies were funded in Phase 1 (Support for the Development of Business Plans) to develop business plans, 13 were selected to receive support in Phase 2 (Support for the Implementation of Business Plans). The respondent indicated that all applicants will have developed their business plans based on an assumption of project financing from other CMF programs such as the New Musical Works Program. Therefore, in some cases there will be no positive benefit to be accrued by having written a business plan since the resources upon which the plan is based are not available. In addition, more than one respondent stated that without support from other CMF programs, rejected MEP applicants will be in serious financial trouble. The concern of these respondents and the MEP administrator is that MEP is understood to be a one-shot program with rigid requirements which may exclude dynamic young companies who, for example, may not meet program requirements. In

their opinion, this one-shot effort may also exclude other companies that make a significant contribution to Canadian culture.

Industry stakeholders perceive that the current MEP focus is on large labels only. The program lacks a mechanism to provide different types of funding arrangements to medium-sized companies who are not successful MEP applicants. There is a perception that this is a “sudden death” program, with no chance for adjustments. One of the unsuccessful companies feels that an unintended impact of the MEP program design will be to distort competition in the domestic market, making it much more difficult for those who have not received funding to survive.

Administrators and those involved with the design of the program questioned whether the music industry is ready for a MEP style program. To some, funding based on the presentation of business plans seems a huge leap for an industry with few companies that had audited financial statements at the outset of MEP. Another perspective on MEP is that the music industry context is radically changing and if the Canadian industry is to prosper/survive, it will require firmer business foundations and clear understandings of the challenges.

Industry stakeholders also questioned the choice of Telefilm Canada as an administrator, since the agency had not previously been involved in this way with the music industry. From the document review, it is apparent that other models were considered prior to the designation of Telefilm to administer the MEP.

Adequacy of Program Delivery

Respondents to the survey who were successful in Phase 1 funding of the program reported that the areas of highest satisfaction with regard to program delivery in Phase 1 of the program were:

- Appropriateness of eligibility criteria for Phase 1 (77% or 10/13 respondents)
- Clarity of application form for Phase 1 (73% or 8/11 respondents)

The areas of lowest satisfaction for Phase 1 included:

- Availability of information about the program (37% or 5/13 respondents)
- Timeliness on decisions of applications for Phase 1 (32% or 5/13 respondents)

- Clarity of information about the program (31% or 4/13 respondents)

Other satisfaction ratings for Phase 1 included:

- Amount of funding received in Phase 1 (66% or 8/12 respondents)
- Timeliness of payments for Phase 1 (62% or 8/13 respondents)
- Reporting requirements for Phase 1 (61% or 7/13 respondents)
- Helpfulness of Telefilm Canada staff (58% or 7/12 respondents)
- Availability of Telefilm Canada staff (54% or 7/13 respondents)
- Amount of work required for Phase 1 application (46% or 6/13 respondents)

It should be noted that the survey of most MEP applicants occurred just after they had found out whether they had received funding for Phase 2. There was a distinct pattern of differences between Phase 2 recipients and those who only received funding from Phase 1 with regard to level of satisfaction with Phase 1, with Phase 2 recipients consistently more satisfied with all aspects of the program.

Satisfaction level with regard to the Phase 2 application process varied consistently with regard to whether or not the respondent had received funding. Those respondents who had received funding for Phase 2 were generally satisfied with the process. Those who did not were dissatisfied.

Likelihood of Meeting its Objectives

Given the long-term outcomes that are anticipated for MEP, it is premature to assess the extent to which MEP is likely to meet its objectives. The extended design phase combined with a phased approach to funding have resulted in only a small portion of the funds having been allocated to the industry at this point. Phase 2 funding decisions were announced during the data collection phase of the evaluation.

For those who received funding for Phase 2, there was general consensus among survey respondents that the business plan development process in Phase 1 had been helpful in defining a marketing/sales plan, forecasting, establishing benchmarks, and identifying new markets. Those who did not receive funding for Phase 2 did not generally see any benefits arising from having developed the business plan in Phase 1.

Suggested Changes

Some industry stakeholders suggested utilizing MEP as a one-stop program for the larger label companies. These companies would then not be eligible to apply under other CMF programs. Those not eligible for MEP could then be encouraged to work with other CMF programs which could be modified to meet their needs. From the perspective of some of the Level 2 companies (established and emerging companies with regard to both popular and specialized markets), this would ensure that Level 2s can compete in their domestic environment.

Others suggested changes to the level of support offered (reduce funding levels from \$2 million to \$1.5 million over the period of time). This would thereby accommodate more companies and reduce the perceived domestic market competition distortion.

Appendix 1-5 Support to Sector Associations Program

Administrator	Client Base	Funding	Focus of Funding
Department of Canadian Heritage	Canadian not-for-profit associations	Contributions: \$0.6M annually	Selective, per association assistance for day-to-day operational expenses
Objectives: To contribute to sound recording sector capacity building and representation through support of associations.			

Adequacy of Program Design

Strengths

In the opinion of the administrator, the Support to Sector Associations Program (SSAP) represents movement away from project based funding to infrastructure funding. The Support to Sector Associations Program is also designed to increase the flow of information from the industry to Canadian Heritage through access to member surveys and specialized studies.

Challenges

During interviews with industry stakeholders, association representatives and other administrators, opinions were voiced concerning the designation of Canadian Heritage as the administrator for the Support to Sector Associations Program. In the opinion of key informants directly involved with the SSAP and other key informants who had contacts in recipient associations, the Canadian Heritage approval and delivery systems are considered slow and cumbersome, leading to levels of frustration on both sides. The program administrator pointed out that there were important delays in delivering the Support to Sector Associations Program, compounded by administrator understaffing. The Fund area also indicates that more associations have expressed interest in the program, with an increase in applications for assistance highly likely.

Adequacy of Program Delivery

The lack of timeliness in implementing the Contribution Agreements for the SSAP has meant that associations such as those interviewed had to use the funds for capital expenditures (equipment, etc.) rather than for more strategic purposes as they had intended.

Interview participants offered various comments on SSAP. For example, from the perspective of one key informant:

- some organizations receive significant proportions of funds, but they are not pan-Canadian; and,
- the program should take into account the other sources of funding available to associations when allocating funds (e.g., provincial government funding).

Quite another perspective was offered by another key informant:

- the new rules for the SSAP have caused some organizations to lose significant proportions of funding;
- currently, the program funds the least performing organizations, i.e., those that are unable to generate support elsewhere; and
- did not agree with the federal visibility requirement: "--- is not an ad agency".

Likelihood of Meeting its Objectives

From a review of the application files, and the stated intent of the program, it is difficult to determine clear objectives for this program.

Performance Measurement and Reporting

From the review of the Contribution Agreements, it appears that the reporting requirements are activity rather than results focussed.

Appendix 1-6 Collective Initiatives Program

Administrator	Client Base	Funding	Focus of Funding
FACTOR MUSICACTION	Not-for-profit associations, and/or multi-company partnering initiatives.	Contributions: 2002-2004: \$6M (\$2M annually)	Project funding for collective events such as: conferences, awards, collective marketing initiatives, virtual trade shows; national website of new Canadian music; and professional development initiatives.
Objective: To provide opportunities to showcase Canadian talent and share knowledge through funding of collaborative initiatives.			

Adequacy of Program Design

Strengths

The same administrators - FACTOR and MUSICACTION - were chosen to deliver both the New Musical Works Program and the Collective Initiatives Program. From their perspective, applicants benefit in this arrangement due to the administrators' knowledge of both programs, allowing the administrators to clarify issues for applicants and route proposals to the most appropriate program.

Challenges

In the opinion of one administrator, the Collective Initiatives Program seems to be a "catch-all" program with relatively unclear objectives, making it difficult to evaluate the impacts.

One administrator indicated that the program guidelines are confusing. For example, the program excludes the financing of normal commercialization activities. In the opinion of the interviewee, Web presence is now a normal commercialization activity and should therefore be excluded. As well, overlaps were identified between the training activities supported by the SOCAN Foundation and the Collective Initiatives Program. Moreover, the Heritage Interdepartmental Partnership with the Official-Language Communities (IPOLC) Program funds activities for minority-language francophone communities that

are of a very similar nature. The fact that professional training is a provincial jurisdiction adds to the confusion and the risks of duplication.

Adequacy of Program Delivery

According to the survey of applicants, 100% of respondents indicated that they had applied to the Collective Initiatives Program as organizations. Funding had been used for¹¹:

- 55% - training/conference/professional development
- 40% - marketing and promotion
- 15% - awards
- 10% - audio recording
- 5% - Funding infrastructure for a non-profit organization
- 2% - other (production; sustaining their non-profit organization and funding juries)

The vast majority (95% of recipients) receive funding from other sources – 90% of these from provincial governments. On average, 35% of the project budget was provided by Collective Initiatives Program.

Respondents reported the areas of highest satisfaction to be:

- Availability of program information (95%)
- Helpfulness of staff (85%)
- Amount of funding received (85%)
- Timeliness of payments (84%)

Areas of lowest satisfaction included:

- Amount of work for application (60%)
- Reporting requirements (55%)

Likelihood of Meeting its Objectives

According to the survey of applicants:

¹¹ More than one response was possible, so the total is more than 100%

Incrementality

- 1 out of 5 of unsuccessful applicants conducted their project unchanged without the funding
- 0% of successful applicants would have gone ahead with the project with no changes if they had not received funding

Preliminary Results on Outcomes

- 100% satisfied with outcomes from funded projects
- 100% reported project “completely achieved objectives”

Leverage

- 58% reported that Collective Initiatives Program funding assisted them in obtaining additional funds from another source

Performance Measurement and Reporting

The administrators reported that they provide an annual business plan and annual report.

Appendix 1-7 Canadian Music Memories Program

Administrator	Client Base	Funding	Focus of Funding
Department of Canadian Heritage and National Library of Canada	Recognized organizations specializing in access, preservation and conservation of musical content.	National Library of Canada: Vote transfer/MOU: \$0.4M AV Preservation Trust Contributions: \$0.2M annually	Resources targetted for Canadian sound recording preservation to ensure access to our musical heritage.
Objectives: To ensure long-term preservation of and access to Canadian musical heritage.			

Adequacy of Program Design

The Citizenship & Heritage Sector of Canadian Heritage is concerned with programs and policy related to preservation (film, music, buildings, etc.), collections management and public programming (exhibitions, education, etc.). This sector administers the Canadian Music Memories Program (CMMP) in close partnership with staff in the Sound Recording Policy and Programs Division. The National Library of Canada, which has its own agency status within Canadian Heritage, is also an administrator of the program.

AV Preservation Trust is the program recipient. It is an NGO with a national mandate to encourage the preservation, conservation, access and awareness of Canadian audio and video works. AV Preservation Trust was created as a result of a study in 1995 by the National Archives and Canadian Heritage, which identified concerns with the preservation of early recorded music and images and a gap in the ability to identify copyright on ‘orphaned works’. The organization has a volunteer Board of Directors which includes the President of CBC, the National Archivist, etc.

From the perspective of the administrators, preservation can be seen somewhat like a horizontal issue, affecting film, music, etc. Having funds allocated through the CMF ensures awareness within the music sector programs concerning the need for preservation.

Strengths

The administrators indicated that preservation of musical products was not previously part of the

SRDP. In 1996 AV Preservation Trust conducted a study which put preservation on the horizon, increased awareness about audio-visual preservation, its importance and future needs. In the opinion of the administrators, there is an increased recognition within the Department of Canadian Heritage of the need to include resources for preservation within cultural sector programs. The program reinforces the need to consider the life cycle of products - cultural sectors are very focused on the present, (i.e., the production and sales of products in the present) but these products contribute to Canada's collective heritage and memory. Preservation should be considered important.

Challenges

A multi-year commitment for funding is required to undertake strategic projects which will have a more substantial impact. There is still uncertainty about how the Canadian Music Memories Program fits with provincial programs already in existence. There is also some uncertainty as to the extent to which the program is sufficiently diverse in terms of geography, ethnicity and genres as these aspects were not built into the design.

Adequacy of Program Delivery

There were some issues with regard to:

- the capacity of AV Preservation Trust to deliver on its ambitious 2002 - 2003 Business Plan
- timeliness of decisions and payments (AV Preservation Trust only received its funding in January 2003)

Likelihood of Meeting its Objectives

According to interviews with administrators, the projects to date have met individual project objectives. The recipient indicated that the projects would not have been implemented without the CMF funding.

Performance Measurement and Reporting

The National Library of Canada receives CMF funds for the Canadian Music Memories Program as an appropriation. AV Preservation Trust receives money annually through a Contribution Agreement from the Department of Canadian Heritage. AV Preservation Trust submits a business plan and supporting documentation on the use of the funds. Both the National Library and AV Preservation Trust provide annual reports.

Appendix 1-8 Policy Monitoring and Database Development Program

Administrator	Client Base	Funding	Focus of Funding
Department of Canadian Heritage	n/a	\$3.6M across 3 years 2001-02: \$1.6M 2002-03: \$1.0M 2003-04: \$1.0M	To acquire proprietary third-party data; and set up database(s)
Objectives: To ensure operational efficiency of CMF research, analysis and monitoring of the sound recording sector.			

Key informant interviews with Canadian Heritage Program staff identified significant delays in implementing this program. Many aspects are still under development. Some recent efforts have been made to address issues of program understaffing.

At the present time, from research conducted for this evaluation, there appears to be no method to determine what music industry research will be conducted and when it will be conducted. There did not appear to be extensive industry consultations concerning sector research topics or other means of receiving feedback concerning the research interests of industry stakeholders.

Appendix 2 - Comparison of the SRDP and the CMF Programs

LINKS BETWEEN THE SRDP AND THE CMF PROGRAMS

Sound Recording Development Program			Canada Music Fund
Components	Objective	Results	
<p>1. Audio & Video Production (\$3,600K/yr - delivered via FACTOR and MUSICACTION)</p> <p>2. Marketing & Touring (\$4,250K/yr - delivered via FACTOR and MUSICACTION)</p>	<p>To increase the availability of quality Canadian content sound recordings and to reinforce the Canadian sound recording industry infrastructure.</p> <p>Same as above.</p>	<p>Encourage the production and promotion of high quality Canadian content music products resulting in greater choice and access by Canadians to Canadian content music products.</p> <p>Same as above.</p>	<p>New Musical Works Program (Program #3) (\$10.7M to \$13.3M/yr - delivered via FACTOR and MUSICACTION)</p>
<p>3. Business Development (\$675K - delivered via FACTOR and MUSICACTION)</p>	<p>Same as above.</p>	<p>Same as above.</p>	<p>Collective Initiatives Program (Program #6) (\$2.0/yr - delivered via FACTOR and MUSICACTION)</p>
<p>4. Specialized Music - Production (\$550K/yr - delivered via Canada Council for the Arts)</p> <p>5. Specialized Music - Distribution (\$200K/yr - delivered via PCH)</p>	<p>To increase the availability and visibility of specialized Canadian content music products and to improve the ability of Canadian distributors to effectively distribute, promote and sell recordings of specialized Canadian music produced by Canadian record companies or producers.</p> <p>Same as above.</p>	<p>Allow recipients to more effectively distribute and promote Canadian content music products which, despite their cultural significance, have limited access to markets and consumers.</p> <p>Same as above.</p>	<p>Canadian Musical Diversity Program (Program #2) (\$1.5M/yr - delivered via Canada Council for the Arts)</p>



Sound Recording Development Program			Canada Music Fund
Components	Objective	Results	
6. Support the Federal Policy Development (\$550K/yr - delivered via PCH)	To improve the capacity of professional associations to contribute to the policy development process and to facilitate the government's ability to develop policies and programs to further assist the growth of the Canadian sound recording industry.	Improve the capacities of national sector-based associations to contribute to the Department's policy development process: as projects under this component must comply with the Department's policy priorities, research reports, surveys and other projects carried out under this component will assist the Department in its policy development role.	Support to Sector Associations Program (Program #5) (\$0.6 M/year)

Appendix 3 - Documents Reviewed

Document List:

- Terms and Conditions for each CMF program
- From Creators to Audience: New Policy Directions for Canadian Sound Recording
- Results-Based Management and Accountability Frameworks (RMAF) for the Sound Recording Development Program (SRDP)
- Results-Based Management and Accountability Framework (February 2002) for CMF
- Risk- Based Audit Frameworks for SRDP
- Risk-Based Audit Framework for CMF (February 2002)
- Internal audit reports
- Decks of presentations (May 15, 2002; June 14, 2002)
- Evaluation report on SRDP (2000)
- A Review of Music Publishing in Canada (1999)
- The Sounds of Change
- e-Business Readiness of the Canadian Music Recording Industry
- Industrial Development Direct Funding Program Options for the Canadian Recording Industry
- Capacity Building Fund: Assessment of Executing Agencies
- An Overview of Governance Issues for the Successful Execution of a Music Entrepreneur Program
- Fusion d'Entreprises canadiennes (Case Study)
- Acquisition d'une entreprise étrangère par une entreprise canadienne (Case Study - version préliminaire)
- List of provincial contacts for Sound Recording Program (dated September 4, 2002)
- Strategic Framework (one-page chart), Department of Canadian Heritage (2 versions: pre-April 2002 and April 2002)
- PCH Evaluation Reports: Guide to Reporting Elements
CMF's new RMAF (including revised performance indicators)
- List of Stakeholders for Sound Recording Program (dated June 12, 2002)
- Memorandum of Understanding (Canada Council for the Arts; National Library of Canada)
- Contribution Agreements (Telefilm Canada; FACTOR; SOCAN Foundation; La Fondation MUSICACTION)
- Annual plans, reports, financial statements (e.g., from program area, implementing organizations) (CMF - Canadian Music Memories Program, Report of the National Library of

Canada for 2001-2002; Rapport Annuel, Programme d'aide aux créateurs, exercice 2001-2002, SOCAN Foundation; SRDP Annual Report 2001-2002, Specialised Music Distribution, PCH; SRDP Annual Report 2001-2002, Support to Federal Policy Development, PCH; FACTOR 2001-2002 Annual Report; MUSICACTION Rapport annuel 2001-2002)

- Administrators'/Implementing Organizations' business plans (FACTOR; PCH; Canada Council for the Arts; Telefilm Canada; AV Preservation Trust; SOCAN Foundation; National Library of Canada; La Fondation MUSICACTION.)
- Program guides published by third party administrators (SOCAN Foundation; FACTOR; La Fondation MUSICACTION; Telefilm Canada; Canada Council for the Arts; PCH)
- Terms of Reference for the Canada Music Council
- Minutes of CMC meetings: June 14, 2002; October 28, 2000;
- Enhanced Monitoring reports
- Program files
- Administrative files of implementing agencies
- Annual plans for and reports from the CMC

Appendix 4 - Key Informant Interview Participants

Canadian Heritage

Michael Wernick - Associate Deputy Minister

Jean-Francois Bernier - Director General, Film, Video & Sound Recording

Pierre Lalonde - Director, Sound Recording Policy and Programs

Céline Ménard - Manager, Sound Recording Policy

David Blais - Manager, Sound Recording Programs

Liliane Mingardi - Senior Advisor, PCH

John Fiehl - Policy Monitoring and Database Development Program

Mario Lepage - Legal Services

Canada Music Council

Michel Normandeau - CMC

Rosaire Archambault - CMC

Bill Henderson - CMC

Denise Donlon - CMC

Alvin Jahns - CMC

Implementing Organizations/Agencies

Rick MacMillan - SOCAN Foundation

Gerri Trimble - Canada Council for the Arts

Heather Ostertag - FACTOR

Andree Menard - MUSICACTION

Shelley Stein-Sacks - Telefilm Canada

Chantal Fortier - A/Director, Heritage Programs Directorate, Dept. of Canadian Heritage,

Paul McCormick - DG Strategic Planning, National Library of Canada

National Associations

Stan Meissner - Songwriters Association of Canada (SAC)

Earl Rosen - Canadian Independent Record Production Association (CIRPA)

Robert Ott - Canadian Music Publishers (CMPA)

Nancy Juneau - Fédération culturelle canadienne-française (FCCF)

Brian Robertson - Canadian Recording Industry Association (CRIA)

Carole Trottier - Fédération culturelle canadienne-française

Provincial/Territory Associations



Jacques Primeau - Association québécoise de l'industrie du disque, du spectacle, et de la vidéo (ADISQ)

Francine Betrand Venne - Société professionnelle des auteurs et des compositeurs du Québec (SPACQ)

Regional Associations

Daniel Lafrance - Assoc. des Professionnels de l'édition musicale

Additional Key Informant Interviews using Survey Format¹²

Bruce Parker - AV Preservation Trust

Elisabeth Bihl - Canada Music Centre

¹² For some respondents in this list where specific projects were involved, they were asked to answer project-specific questions using the instrument developed for the survey portion of the study.