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Summative Evaluation of the Canada Travelling Exhibitions Indemnification Program

Office of the Chief Audit and Evaluation Executive

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Acronyms and Abbreviations

CCI	Canadian Conservation Institute
CTEIP	Canada Travelling Exhibitions Indemnification Program
ECF	Exhibition Circulation Fund
ESD	Canadian Heritage Evaluation Services Directorate
EWG	Evaluation Working Group
INDEM	Canada Travelling Exhibitions Indemnification Program (terminology used by those working closely on the program)
KI	Key Informant
MAP	Museum Assistance Program
NGO	Nongovernmental organization
PCH	Canadian Heritage
PRG	Canadian Heritage Policy Research Group
RBAF	Risk-based Audit Framework
RMAF	Results-based Management and Accountability Framework

Executive Summary

Program Description

The Canadian Travelling Exhibitions Indemnification Program (CTEIP) was established in 2000 to implement the *Canada Travelling Exhibitions Indemnification Act (1999)*. Through this program the Government of Canada assumes financial risk for loss or damage to travelling exhibitions, should they occur. Indemnification is a contingent liability and it is captured in the fiscal framework through the Consolidated Revenue Fund, managed by the Department of Finance. The program is managed by Canadian Heritage's (PCH) Citizenship and Heritage Sector, which implements a risk mitigation strategy to assess the extent to which applicants reduce potential risk of loss or damage to objects in a travelling exhibition for which indemnity is requested. Total program costs are approximately \$320,000 a year. There are three dedicated full time equivalents assigned to support the program.

Evaluation Objective and Methodology

Evaluation Context and Purpose

The evaluation was conducted between November 2010 and May 2011 and covered Program activities during the period April 1, 2006 to March 31, 2011. The evaluation was managed by the Evaluation Services Directorate (ESD), Office of the Chief Audit and Evaluation Executive. ESD carried out the planning phase and some of the data collection phase, while the balance of the data collection, the final analysis and reporting was executed by a private research consulting firm. An Evaluation Working Group, with representatives from ESD and the Canada Travelling Exhibitions Indemnification Program (CTEIP) guided the study.

The CTEIP was previously the subject of a summative evaluation (January 2006 report issued). The findings from this evaluation will assist senior management with decisions related to the continuation of this program, its performance including alternative delivery options and improvements. The evaluation aligns with the Treasury Board of Canada's *Policy on Evaluation* (2009). It considered the five Core Issues under the two themes of Relevance and Performance (effectiveness, and efficiency and economy).

Evaluation Methodology

The evaluation included the following research methodologies:

- **Document review** included documents setting out the government's policy direction, program related documentation, and the official record of House of Commons and Senate Committee proceedings.

Literature review prepared by the Policy Research Group on behalf of the Office of the Chief Audit and Evaluation Executive on indemnification practices in other countries, provincial programs that support touring exhibitions, and the economic impact of major exhibitions.

- **Key informant (KI) interviews** with twenty-seven government officials involved with or familiar with the CTEIP, representatives of institutions that had applied for support from the CTEIP over the period April 1, 2006 to March 31, 2011, representatives of institutions that had not applied for support under the CTEIP, an art conservator, and individuals from other countries who have significant knowledge of the practices associated with indemnifying or insuring major travelling exhibitions in their own country.
- **Program performance results** drawn from a spreadsheet maintained by PCH staff responsible for administering the CTEIP.

Constraints and Limitations

Some performance information that should have been available from post-indemnification questionnaires from participating institutions was not available due to delays in implementing the questionnaire and the time lag between when an exhibit is approved for indemnification and its completion. However, the evaluators do not believe that this information would have had a significant impact on the key findings, conclusions and recommendations arising from this evaluation; the data available from program performance results and the document and literature review were sufficient to address the evaluation questions and issues. The key informant interviews were used primarily to provide context and corroborate the actual performance results.

Evaluation Findings

Relevance

i) Continued Need

While the usefulness of the CTEIP as a competitive advantage to attract travelling exhibits and the loan of specific objects has diminished over the years as more and more countries implement similar programs, if the CTEIP did not exist, many potential lenders would not make their objects available to Canadian institutions. The revenues generated from indemnified exhibitions are also of considerable importance for Canada's larger heritage institutions, enabling them to meet their tutorial and institutional goals.

ii) Alignment with Federal Roles

The federal government is uniquely positioned to deliver the CTEIP as only the Crown can easily assume the level of liability involved. Other countries that use a third party for delivery must still have the national government assume the potential liability of any loss. By having the federal government deliver the program, there is greater assurance that

institutions in all parts of the country are eligible for the same level of support. Currently only six of ten provinces have a program that provides support for touring exhibitions and only one provides assistance to support bringing exhibitions in from out of province.

iii) Responsibilities and Alignment with Government Priorities (federal government and PCH strategic outcomes)

The CTEIP aligns with the priorities of Canadian Heritage by making cultural content accessible. The CTEIP also links with Government priorities with respect to communities and the economy. Economic impact studies have shown that museums and art galleries in particular, have a positive economic impact on a community and region as a result of the increased number of visitors than can be attracted through the hosting of a major one time exhibition such as those indemnified under the CTEIP¹.

Performance

i) Achievement of Expected Outcomes

The CTEIP is achieving planned outcomes as defined in the program logic model.

- Between four and eleven indemnified exhibitions were launched each year resulting in savings on insurance of between two and four million dollars a year for the participating institutions. While direct comparisons with similar programs in other countries are not possible because of organizational program differences, some comparisons can be made in terms of outputs and intermediate outcomes. The number of new exhibitions indemnified each year through the CTEIP is roughly comparable on a per capita basis to the number indemnified by other countries with similar programs. The United States for example, indemnifies approximately 40 exhibits a year and New Zealand, two a year.
- Indemnified exhibitions, in particular those with a significant number of objects from outside Canada, generally had higher attendance figures, generating more revenues for the institution enabling it to maintain or increase its capacity in other areas of its operations.
- While there was no quantitative data available on the extent to which the CTEIP contributed to Canadians enhanced awareness, understanding and appreciation of Canadian and/or international cultural heritage, logically one would expect that there would be a positive impact in this regard for anyone who attended an exhibition. Interviews with key informants confirmed this.

¹ The Economic Impact Model for the Arts and Heritage on the Canadian Heritage Information Network is an available tool for calculating the economic impact. Specific studies of the economic impact of exhibits in Canada were conducted on the 2007 Titanic exhibit at the Royal British Columbia Museum, the 1997-99 da Vinci exhibit at the Royal British Columbia Museum, the 1997 Renoir exhibit at the National Gallery of Canada, and the 1994 Barnes exhibit at the Art Gallery of Ontario. In each case, the study showed that the exhibit had a significant positive economic impact.

- Within the scope and limits of this evaluation study, there were no unintended consequences for institutions that received indemnification identified.

The CTEIP has a limited and diminishing reach. The general trend over the past five years is that the program is supporting fewer exhibitions travelling to fewer locations. A contributing factor to this trend is the significant increase in the value of cultural objects, in particular art work, over the past decade while the maximum amount of indemnification available as set out in the *Canada Travelling Exhibitions Indemnification Act* has remained constant. Other countries such as New Zealand and the United Kingdom have increased their maximums on an as required basis since Canada's program was established in 2000. The United Kingdom establishes its maximum liability cap on an annual basis based on the forecasted usage. The cap can and has been exceeded with the approval of the British Parliament. In New Zealand, the cap can be exceeded with Cabinet approval.

The CTEIP compared to other economic studies and this comparison suggests that the CTEIP has an estimated positive net impact of between \$2 million to \$15 million a year on the Government of Canada's tax revenues due to the extent to which the tax revenues generated by indemnified exhibitions exceed the annual cost of the program in the absence of any claims of which there have been none since it was launched in 2000.

ii) Efficiency and Economy

There is no compelling reason to change the basic design of the program (e.g., provision of indemnification rather than underwriting the cost of private insurance, and program delivered by the federal government rather than a third party). Although delivered somewhat differently, the current program design is consistent with that used in many other developed countries including 21 of 27 full members of the European Economic Union, the United States of America and the United Kingdom. These countries have had a similar experience to Canada with respect to claims. Total known claims around the world with similar programs are less than \$100,000 per year. Quebec is the only province with an overlapping program but it only applies to provincial heritage institutions and not those operated by municipalities or other bodies in the province.

Opportunities has been noted for improving the day-to-day operations of the CTEIP by reducing timelines for decision making, improving communications with prospective applicants, and reducing the required paperwork.

Conclusions

Although there are some opportunities for improving the day-to-day operations of the CTEIP that should be considered, the CTEIP is a relevant, cost-effective program that addresses a demonstrable need, is aligned with government priorities, and is appropriately delivered by the federal government.

Because of the economic impact of exhibitions on local communities, the CTEIP has a positive net impact on government revenues. Overall, it is also achieving most of the expected outcomes. The extent of the program outcomes and economic impact, however, is being negatively impacted by limits placed by the *Canada Travelling Exhibitions Indemnification Act* on the total amount of indemnification that can be provided in any one year. As a result of the increasing value of exhibits, there has been a trend downwards over the past five years of the number of exhibitions that received indemnification each year.

Recommendation

Recommendation: Given the evolution of the program’s environment since 2000, the Department should develop options for the consideration to address the issue of diminishing program impact relating to rising exhibition values in the context of a fixed ceiling for liability.

Rationale: Market values for heritage objects have increased significantly since the CTEIP was launched and there is nothing to suggest that this trend will not continue.

Management Response and Action Plan

Overall Conclusion: The Heritage Policy and Programs Branch concurs with the findings and conclusions in the evaluation report on the Canada Travelling Exhibitions Indemnification Program, as well as the sole recommendation which calls for the development of options to ensure the Program’s continued effectiveness.

Management response: Accepted.

Responsibility: Executive Director, Heritage	Target Date
A range of options will be developed for discussion with Canadian Heritage officials. Subsequent steps will be in accordance with consultation results.	Fall 2011

1. Introduction and Context

The Canada Travelling Exhibitions Indemnification Program (CTEIP) was established in 2000 to implement the *Canada Travelling Exhibitions Indemnification Act (1999)*. Through this program the Government of Canada assumes financial risk for loss or damage to travelling exhibitions, should they occur. The program is managed by Canadian Heritage (PCH), which implements a risk mitigation strategy to assess the extent to which applicants reduce potential risk of loss or damage to objects in a travelling exhibition for which indemnity is requested.

Indemnification is a contingent liability insofar as it provides compensation for damage or loss only if it occurs. The contingent liability is captured in the fiscal framework through the Consolidated Revenue Fund, managed by the Department of Finance.

The *Canada Travelling Exhibitions Indemnification Act* and *Regulations* set out the legislative framework and limits for the program. They define applicant eligibility, outline assessment criteria, the scope of indemnity agreements, the maximum amount of allowable annual contingent liability for the program, maximum coverage per travelling exhibition and each means of conveyance, a sliding scale of deductible amounts per exhibition, the period of coverage and procedures for submitting a claim.

Other PCH programs complement the mandate of the CTEIP. These programs include the Movable Cultural Property Program (MCP), the Canada Cultural Spaces Fund (CCSF) and the Museums Assistance Program (MAP). MCP assists designated heritage institutions to acquire nationally significant cultural property that is threatened with export or to repatriate such property that is located outside Canada. Both MCP and the CTEIP must approve institutional facilities for eligibility into their respective programs. The same facility assessment may be used by both programs. Unapproved facilities requiring infrastructure upgrades may apply to CCSF for capital support. MAP provides financial support to develop, promote and circulate exhibitions and to strengthen collections management.

2. Program Profile

2.1 Eligibility

Eligibility and the maximum amount of indemnification that can be provided under the CTEIP are prescribed by the *Canada Travelling Exhibitions Indemnification Act* and the *Canada Travelling Exhibitions Indemnification Regulations*.

To be eligible for indemnification under the CTEIP, an institution must be a museum, art gallery, archives or library that:

- is publicly owned;
- operates for educational or cultural purposes;
- operates solely for the benefit of the public and
- exhibits objects to the public

Two types of exhibitions qualify for indemnification under the Program:

- exhibitions organized domestically, in which the total fair market value of objects borrowed from within Canada exceeds the total fair market value of objects borrowed from outside Canada, and shown at venues in at least two Canadian provinces; and
- international exhibitions, in which the total fair market value of objects borrowed from outside Canada exceeds the total fair market value of objects borrowed from within Canada, for which only one Canadian venue is required

To be eligible for indemnification, the total fair market value of all objects and appurtenances in an exhibition must be \$500,000 or more. Indemnity is limited to a maximum of \$450 million CDN per exhibition (any amount over this must be insured by the institution) and to a maximum of \$100 million per conveyance (transportation). Finally, the maximum liability for all exhibitions indemnified is \$1.5 billion in a fiscal year.

2.2 Program Design

The CTEIP provides comprehensive coverage, which includes acts of terrorism, but which excludes other specified perils, such as normal wear and tear, gradual deterioration, vermin, inherent vice, a pre-existing flaw or condition, radioactive contamination, wars, strikes, riots, civil commotion, or repair, restoration or retouching processes other than those repair, restoration or retouching processes undertaken at the request of the Minister. The Minister may, on a case-by-case basis, provide coverage for excluded perils.

The CTEIP requires a deductible, which is calculated on the total fair market value of the exhibition. This serves to transfer the risk of potentially more numerous lower-value claims to commercial insurers, and establishes a shared responsibility between host institutions and the Government of Canada. In addition, commercial insurance must be purchased to cover any value of objects and appurtenances in an exhibition in excess of the amount indemnified under the Program.

An Indemnity Agreement is a contract between the Minister of Canadian Heritage on behalf of the Government of Canada and an owner, or an owner's designated representative, respecting liability for loss or damage to indemnified objects and appurtenances described in the Agreement. It pledges that the Government of Canada will pay the agreed upon amount, subject to the specified deductible, in the event of a valid claim for loss or damage to an indemnified object or appurtenance. The Indemnity Agreement lists exclusions for specified perils such as a hidden defect (or the very nature) of an object that is the cause of (or contributes to) its deterioration, damage, or wastage, strikes, acts of war, vermin, radioactive contamination and wilful negligence.

2.3 Delivery

One eligible Canadian institution must submit an indemnity application to the Canada Travelling Exhibitions Indemnification Program on behalf of all institutions hosting the exhibition in Canada.

In accordance with the *Act, Regulations* and Program guidelines, an assessment is undertaken to determine the extent to which potential exposure of risk to the exhibition has been mitigated. The CTEIP risk mitigation strategy entails review of:

- the facilities of all institutions proposing to host the exhibition for security, fire prevention and collections preservation, including environmental control and
- the means and procedures undertaken to eliminate or acceptably reduce potential risk to objects and appurtenances in travelling exhibitions.

Facilities review is conducted by the Canadian Conservation Institute (CCI), which submits its assessment to the CTEIP.

A review of the potential risks to which the exhibition might be exposed throughout the proposed indemnification period is also undertaken. Expert consultants advise the Program on the extent to which applicants propose to eliminate or mitigate potential risk in a manner consistent with accepted museum practices. While special attention is paid to packing, handling, shipping, installation and enhanced security, the CTEIP staff also considers ownership and provenance issues, international conventions and legal issues, fair market valuation and conditions set out by owners in loan agreements with the organizing institution.

When the CTEIP staffs has determined that the level of risk has been sufficiently mitigated, a recommendation is sent for approval by the Minister. Indemnification Agreements are then signed by the owner (or the owner's designated representative) and by the Crown.

2.4 Key Stakeholders

The Director of Heritage Programs² within the Citizenship and Heritage Sector, is responsible for the management of the CTEIP including ongoing collection of performance information. A program manager, a program coordinator, and a program officer receive applications, ensure their completeness, coordinate CCI review of institutional facilities and undertake research to identify and analyze potential risk. Program staff also conducts follow-up information requests with applicants, and identify and enlist the advice of outside experts on risk mitigation which includes the convening and chairing of a committee of experts. Program personnel consolidate the assessments results and prepare rejection letters for the Director's signature, or a recommendation for approval by the Minister. After the Minister has decided which exhibits will be indemnified, program personnel prepare the indemnification agreements with the owners of the objects. Program personnel also liaise with the heritage community, and prepare and conduct briefings and make recommendations regarding indemnification to senior management.

Other stakeholders include the Preservation Services Division of CCI and other expert consultants who advise on the identification and mitigation of potential risk for hosting institutions and travelling exhibitions. The Department of Finance captures the contingent liability within the fiscal framework.

2.5 Intended Beneficiaries

Beneficiaries of the CTEIP include:

- Eligible institutions (museums, libraries, archives, art galleries).
- Canadian and foreign institutional and individual lenders of objects and appurtenances to travelling exhibitions.
- Canadian public who visit travelling exhibitions that includes objects and appurtenances that have been indemnified under the CTEIP.

Over the period 2006-11, sixteen different institutions applied for indemnification under the CTEIP. Twelve institutions were successful one or more times allowing seventeen institutions to obtain an indemnification³. Institutions were unsuccessful because they

² Effective April 1, 2011, the Senior Director, Heritage Policy and Programs became responsible for the management of the CTEIP.

³ When an exhibition is presented in many Canadian institutions, only one institution (often the organiser) makes the request on behalf of all the institutions who want an indemnification.

did not meet the requirements of the program, the submitted information was not complete, the institution opted for commercial insurance due to uncertainty about the availability of indemnification, or indemnification was unavailable or was limited in relation to the request. With one exception, all institutions that applied for indemnification are designated Category "A" institutions under the Movable Cultural Property Program⁴.

2.6 Resources

The estimated annual cost of the CTEIP to the Government of Canada is approximately \$320,000 a year. As shown in Table 1, most of the cost is associated with the salary and benefits of the three full time equivalents assigned to the program. The balance covers accommodation costs and ongoing operating and maintenance costs.

Table 1: CTEIP Annual Costs

Annual Expenditures	Estimated Maximum Amount
Salaries (3 staff members at the maximum for the position)	\$217,644
Employee Benefits (20% of salaries)	43,529
Accommodation Costs (13% of salaries)	28,294
Operating and Maintenance (expert panel, telecommunications, translation, special studies, etc.)	30,000
Total	\$319,467

⁴ Canadian institutions and public authorities that wish to acquire cultural property through donation or purchase and have it certified for income tax purposes must first be designated by the Minister of Canadian Heritage upon the recommendation of MCPP. This process ensures that only designated institutions that are publicly owned and have the appropriate collection management mechanisms and environmental controls are eligible to apply for Cultural Property Income Tax Certificates (T871) as well as Movable Cultural Property grants. There are almost 300 Category "A" designated heritage institutions across Canada.

3. Purpose and Scope of the Evaluation

The objectives of the summative evaluation of the CTEIP are to assess:

- The relevance of the CTEIP, specifically:
 - The extent to which the program continues to address a demonstrable need and is responsive to the needs of Canadians.
 - The linkages between program objectives and (i) federal government priorities and (ii) departmental strategic outcomes.
 - The role and responsibilities for the federal government in delivering the program.
- The performance (effectiveness, efficiency and economy):
 - The progress toward expected outcomes (including immediate, intermediate and ultimate outcomes) with reference to performance targets and program reach, program design, including the linkage and contribution of outputs to outcomes.
 - The resource utilization in relation to the production of outputs and progress toward expected outcomes.

A matrix of the main evaluation issues, questions and associated indicators is provided in Appendix D.

The evaluation focused on the performance of the CTEIP during the period April 1, 2006 to March 31, 2011.

4. Evaluation Methodology and Constraints

4.1 Methodology

In preparation for this evaluation, Evaluation Services Directorate (ESD):

- Performed an evaluation preparedness study in the Spring 2010.
- Undertook a document review to identify changes to the program since last evaluation.
- Validated the indicators developed in the 2006 Results-based Management and Accountability Framework (RMAF) through a database review and discussion with the Program management.
- Held formal meetings with the program director and manager to clarify evaluation issues and agree on the focus of the evaluation and
- Conducted a risk assessment in December 2010 to assess the preparedness of the CTEIP for an evaluation. The program has been rated as low risk.

Multiple lines of evidence were used for the evaluation:

- **Document review** included a review of applicable legislation, government policy direction (Speech from the Throne, federal budgets, Ministerial announcements, etc.), comments made by Members of Parliament, Senators and program officials when the legislation was considered in both 1999 and 2006, and information on practices in other countries. Appendix A lists the documents reviewed in the course of the evaluation.
- **Literature review** was undertaken by the Policy Research Group on behalf of ESD. The Main goal of the literature review was to gather information and documentation on indemnification programs from governmental websites and other official sources and to describe the economic impact of exhibitions. It also identified provincial programs that provide support for touring exhibitions. Various sources were used to gather the information for the study. These included a combination of Statistics Canada reports, media reports and articles on exhibitions, and economic impact studies of exhibits. The data from the economic impact studies was used to establish a range for the likely impact on federal tax revenues of exhibitions indemnified between 2006 and 2011. The impact per attendee from out of town (20 to 25 per cent of all attendees) was applied to the total average attendance at indemnified exhibitions, to determine the average annual impact.
- **Key informant interviews** were held with:
 - PCH management and staff responsible for the program
 - PCH management and others with an interest in the program (e.g., policy responsibility)

- CCI management
- Individuals from organizations that received indemnification under the CTEIP
- Individuals from organizations that applied for but did not receive indemnification under the CTEIP
- Individuals from organizations that did not apply for indemnification under the CTEIP
- Conservation experts
- Others responsible for similar programs in other countries

Input was received from twenty-seven individuals. The names and/or organizations from which input was obtained is provided in Appendix B. The questions posed are provided in Appendix E.

- ***Program performance results.*** Data was extracted from a spreadsheet maintained by the CTEIP staff and analyzed. To provide consistency in how the information is presented for the purposes of this evaluation, the results as shown in Appendix F are all attributed to the fiscal year in which indemnification first started. The total indemnification provided in any one year would be higher than the figures shown in Appendix F due to the impact of exhibits that started in one fiscal year and finished in another.

As part of the Management Response to the 2006 Evaluation, post-indemnification questionnaires to be filled out by the organizing institution and indemnified locations were developed. .

A survey was considered as a potential line of evidence but due to the limited number of prospective participants who would have sufficient knowledge of the program to provide useful input; it was not considered cost effective. Rather individuals from every organization that applied for indemnification over the past five years and key individuals from other major, non-participating institutions across the country were included as potential contacts for key informant interviews.

All of the lines of inquiry used provided information that was used to address the evaluation issues/questions. The document and literature review and the analysis of program performance results provided the hard factual information on which most of the findings are based. In the next section, information obtained from these sources is presented first whenever it was available as it is the most reliable. Information obtained from interviews with key informants which was critical for providing context on many of the evaluation issues/questions, has been presented last.

4.2 Constraints/Limitations

The principal evaluation finding is based heavily on the document review, the literature review, and the program performance results. The key informant interviews were used primarily to provide context. Information that should have been available from post-indemnification questionnaires administered by program management was obtained for

the most part through interviews with individuals from institutions across the country or other sources. As a result of delays in finalizing the questionnaire, coupled with the lag time between when an indemnified exhibition starts and when it ends, information was not available from this source for the evaluation. Moving forward, every effort should be made by the staff responsible for the CTEIP to collect completed questionnaires as the information will be very useful in helping to inform management decisions with respect to the program and any future evaluation. However, although the information from post-questionnaire was not available, the evaluators do not believe that the missing information would have had an impact on the key findings, conclusions and the recommendation arising from this evaluation as it mostly concentrates on strategic implications.

5. Findings

5.1 Relevance

5.1.1 Continuing Need

The CTEIP continues to be needed to facilitate access for Canadians to Canadian and world heritage.

As noted by the Minister of Canadian Heritage's Parliamentary Secretary when the *Canada Travelling Exhibitions Indemnification Act* was introduced for second reading in the House of Commons April 23, 1999, the essence of the legislation was "to give Canadians the chance to know Canada, to open up the world to Canadians, to open up Canada to the rest of the world⁵". As further explained by the Assistant Deputy Minister, Arts and Heritage to the Standing Committee on Canadian Heritage April 28, 1999, the objectives of the bill were "to increase access to our heritage and to facilitate the hosting of major exhibitions, and to do this at the same time that we are reducing costs and minimizing risk⁶". She also explained that the museums consulted told PCH "that when they're competing in foreign countries for major exhibitions to bring to Canada, it does make a competitive difference to be able to tell foreign galleries and foreign governments that there is a kind of imprimata of the government backing them, that there's a government indemnification program".

Both Members of Parliament and Senators raised concerns in Committee and in debate about the extent to which indemnification would be available for exhibits travelling to all parts of the country. The approved *Act* and associated *Regulations* set out the requirements that must be met for any exhibition to be eligible for indemnification.

⁵ Edited Hansard, Number 214, Friday, April 23, 1999, www2.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&Parl=36&Ses=1&DocId=2332921, accessed February 25, 2011

⁶ Standing Committee on Canadian Heritage, Wednesday, April 28, 1999, www2.parl.gc.ca/HousePublications/Publication.aspx?DocId=1039520&Language=E&Mode=1&Parl=36&Ses=1, accessed February 24, 2011

The study key informants were unanimous in their perspective that the CTEIP is addressing a need. Many spoke of how a program like the CTEIP is needed:

- To get certain objects on loan for an exhibit because there are owners who will not make their objects available unless there is indemnification or insurance in place that has the backing of government. Key informants from institutions that have been indemnified noted that without the government backed indemnification obtaining the loans would be impossible or they would have to obtain private insurance from the lenders insurance company which would cost more than the institution's own insurance coverage. According to emails received in February 2010 by the CTEIP management, private insurance for a travelling exhibit valued at \$100,000,000 would range from \$250,000 to \$500,000. Insurance costs for an exhibit value at \$400,000,000 would be four times greater.
- In order for that Canadian institutions still break even or make money on a major exhibit where insurance premiums would otherwise run in the hundreds of thousands of dollars. Without the need to cover the cost of insurance, institutions like the National Gallery of Canada with its mandate to develop, maintain, and make known, throughout Canada and internationally, a collection of works of art, both historic and contemporary, with special, but not exclusive, reference to Canada, and to further knowledge, understanding, and enjoyment of art in general among all Canadians⁷, are able to take an exhibit to more venues and tours can have a longer duration. Key informants from institutions noted that with the support provided by the CTEIP, their institution was better able to put on exhibitions that enabled them to reach their tutorial and institutional goals.
- Over ninety percent of the key informants from institutions who responded to the question, whether they had been successful or not over the past five years in obtaining indemnification spoke of how the CTEIP enabled institutions to host exhibitions that otherwise would not occur. By not having to cover the cost of insurance, the funds saved could be used to improve the presentation of the exhibition, for development, marketing, etc. Key informants from institutions spoke of the increasing financial challenges for their institutions due to a decrease in tourism⁸ and the resulting lower admissions, the increased costs in other areas of their operations⁹ including higher

⁷ *Museums Act*, 1990, c.3, paragraph 5, <http://laws-lois.justice.gc.ca/fra/lois/M-13.4/>, accessed March 21, 2011

⁸ According to Statistics Canada, CANSIM 427-0001 (www40.statcan.gc.ca/101/cst01/arts34-eng.htm) accessed March 25, 2011, non-resident travellers entering Canada dropped 26 percent to 24,699,100 in 2010 from 33,390,100 in 2006. Almost all of this drop was attributable to fewer residents from the United States travelling to Canada by automobile. Over the period 2006-2009, Statistics Canada (CANSIM 426-0013 (www40.statcan.gc.ca/101/cst01/arts33a-eng.htm) accessed March 25, 2011)) reported that travel to major Canadian destinations (Montreal, Ottawa, Toronto, Vancouver, Winnipeg) that person trips of forty kilometres or more increased 5.3 percent (from 47,248,000 to 49,740,000)

⁹ The literature review completed by the PRG also documented how insurance costs have risen significantly since 9/11 for heritage institutions. Rising values of art work in particular have also contributed to rising insurance costs.

insurance premiums on their own collections. At the same time the aspirations of the institutions for their exhibition programs have grown (e.g., more special exhibits, more well-known objects on loan from other institutions).

- To ensure that Canada is a player on the international scene. There is a degree of reciprocity internationally. If Canadian objects are lent then there is a better chance of getting specific objects or an internationally touring exhibition from a borrower in return.
- To provide access for Canadians to a broader spectrum of culture. By bringing some of the more significant heritage objects to Canada, Canadians don't need to travel to where the objects are normally located. Many of the key informants from institutions spoke of specific exhibitions hosted by their institution that included objects from outside the country that would not have occurred without the support provided by the CTEIP. In instances when indemnification was not provided and the exhibition proceeded, the number of objects borrowed was reduced or plans for touring the exhibition to other locations were scaled back.

Key informants also noted how Canadians come out in large numbers to see the shows for which indemnification has been provided. The attendance figures for indemnified exhibits (See Appendix F), corroborate this perspective, in particular for exhibits that include a significant number of objects from outside Canada or that are not part of the permanent collection of the institution assembling the exhibition.

Not all institutions who want indemnification are now able to receive it primarily due to the significant increases in art values over the past decade. Due to these increased values, the maximum liability of \$450 million per exhibition and \$1.5 billion in any fiscal year in respect of all travelling exhibitions are now being consistently reached. Two major exhibits scheduled for 2011 are expected to include objects that are worth more than \$1 billion. More are anticipated in 2012. In 2006-07, 11 exhibits that went to 20 locations were indemnified. In 2010-11, eight exhibits that went to eight locations were indemnified. Indemnification was only provided for one third of the exhibits in 2009-10 for which support was sought.

A number of suggestions were made by key informants on how the CEITP could be made more responsive to the needs of Canadians, especially in light of a decreasing number of exhibitions being indemnified due to the impact of the caps established by the enabling legislation. The suggestions included:

- Seeking approval to amend the *Canada Travelling Exhibitions Indemnification Act* to increase the caps.
- Provide less indemnification for individual exhibitions so more institutions will receive some support.
- Prioritize which institutions will receive the indemnification in a given year.

The latter two options were seen as a short term solution, however, that will have a negative impact on the number and size of the exhibitions that can tour.

5.1.2 Alignment with Government and Departmental Priorities

The CTEIP supports Government and Departmental priorities.

The CTEIP is an explicit element within the PCH Program Activity Architecture: it is shown at the program sub-activity level supporting the program activity *Heritage* which in turn supports the strategic outcome *Canadian artistic expressions and cultural content are created and accessible at home and abroad*. As described in the 2010-11 *Report on Plans and Priorities* (RPP), this strategic outcome "speaks to the importance placed by the Government of Canada on the continuing existence and public availability of Canadian cultural products, artistic work by Canadian creators and performers, and Canada's tangible and intangible cultural heritage. It is underpinned by the assumption that Canadians have a right to access this material readily in their domestic market, for reasons of identity and cultural sovereignty."

According to the 2010-11 RPP, one of PCH's operational priorities is to "promote the creation, preservation and dissemination of Canadian Cultural content to domestic and international audiences." This operational priority supports the creation and preservation of Canadian cultural and heritage content and artistic works by Canadian creators and performers. It also supports the availability and accessibility of Canadian cultural and heritage content and products, both at home and abroad as well as access to Canada's cultural heritage.

The CTEIP is mentioned in the section on the 2010-11 RPP planning highlights. It is noted that through the CTEIP, the Government assumes financial liability for loss or damage to objects in eligible travelling exhibitions, thus contributing to increased access by Canadians to both Canadian and world heritage.

There is nothing in the public record over the past several years where the Government and/or the Minister of Canadian Heritage have commented on the CTEIP specifically.

According to the 3 March 2010 *Speech from the Throne*, the Government's key priority was the continued creation of jobs and economic growth. There was no specific mention of the cultural industry in either the 3 March 2010 or the 26 January 2009 *Speech from the Throne*. In *Budget 2009: Canada's Economic Action Plan*, however, the government affirmed its commitment to the cultural sector and the need to ensure fiscal stability in a time of economic shocks.

The Minister in his comments in the RPP and several of his speeches since appointed Minister has noted, however, that arts and culture are essential to Canada's communities and its economy. In his speeches, the Minister noted:

- In the five budgets tabled by the Government between 2006 and 2010, more money has been invested in arts and culture than previously.
- Supporting culture means supporting the Canadian economy. The Government knows that supporting the arts, culture and heritage sector is important to our economic recovery.
- He wants to provide Canadians with unfettered opportunities to access arts, culture and heritage so that they can fully appreciate the talent and creativity of artists representing every genre and region of the country.

There is nothing in the government's priorities to suggest that amendments to the *Act* are among its legislative priorities.

5.1.3 Justification for Federal Government Intervention

The federal government is uniquely positioned to deliver a program like the CTEIP.

The consensus of the key informants was that the federal government is the appropriate organization to be delivering the CTEIP. Reasons provided included:

- Only the Government of Canada can assume the level of liability involved.
- The potential liability to the Government of Canada requires a direct accountability that cannot be delegated.
- Other than the Canada Council for the Arts which is focused more on artists than on institutions, there is no obvious organization that could deliver the program and if there was, they would still need the Government of Canada providing the indemnification.
- A provincial program would not ensure that institutions in all parts of the country would be eligible for support. As described more fully in Section 5.3.3, only six of ten provinces administer funding programs to support exhibits in some way.

Transportation is another field where governments have assumed the liability when it was very high or commercial insurers were not prepared to cover the risk. The Minister of Transport, Infrastructure and Communities has undertaken on behalf of the Government of Canada to indemnify any person covered under an insurance policy held by an airline, an airport operator, NAV Canada, or any supplier of goods and services to an airport operator, an airline in Canada or NAV Canada who is insured against general liability under an insurance policy, for aviation war risk liability coverage for Third Party Bodily Injury and Property Damage.¹⁰

As discussed further in Section 5.3.1, many other developed countries including 21 of 27 full members of the Economic Union, the United States and New Zealand, have a government sponsored program similar to the CTEIP.

¹⁰ Undertaking with respect to Aviation War Risk Liability (2011-01-01), <http://www.tc.gc.ca/eng/programs/airports-liabilityprogram-undertakingjan2011-299.htm>, and Declaration (2011-01-01), www.tc.gc.ca/eng/programs/airports-liabilityprogram-declarationjan2011-334.htm, accessed March 21, 2011

5.2 Performance: Achievement of Expected Outcomes

5.2.1 Immediate Outcomes

With support from the CTEIP, Canadian institutions have reduced insurance premiums for indemnified travelling exhibitions.

As the program activity measures for the period 2006 to 2011 show (see Appendix F), between four and eleven indemnified exhibits were launched each year. While direct comparisons are not possible because of program difference from country to country, the number of new exhibitions indemnified each year through the CTEIP is roughly comparable on a per capita basis to the number indemnified by other countries with similar programs. The United States for example, indemnifies approximately 40 exhibits a year and New Zealand, two a year.

By having the exhibitions indemnified, Canadian institutions do not have to pay premiums to private insurance companies for insurance coverage against potential loss or damage above the deductible limits established by the *Canada Travelling Exhibitions Indemnification Regulations*. Based on information obtained by the CTEIP management from a Canadian insurance industry official and from the United Kingdom Museums Libraries and Archives Council, it would cost in the order of two to four million dollars annually to provide private insurance for the exhibits indemnified by the Government of Canada over the period April 1, 2006 to March 31, 2011.

Six exhibits, for which five different institutions applied for indemnification but did not receive it because there was no capacity left in the program for the year, proceeded nonetheless. The number of objects borrowed was scaled back and plans for touring one exhibit to another location were cancelled as a result. Plans in many cases may have been sufficiently advanced such that cancellation of the exhibit may not have been considered an option.

The risk to the Crown was appropriately mitigated

No claims have been made since the CTEIP was launched in 2000 for the loss or damage of loaned objects that had been indemnified.

5.2.2 Intermediate Outcomes

Indemnified exhibitions increased institutional capacity to circulate international and domestic travelling exhibitions and engage Canadians in cultural heritage.

The availability of indemnification and the resulting reduction in insurance premiums is an important factor for institutions in increasing their capacity to mount an exhibition. As noted earlier, the cost of private insurance for travelling exhibit valued at \$100,000,000 would range from \$250,000 to \$500,000.

International exhibitions tend to be perceived as being more prestigious and the institution generally has a larger budget available to it to improve the quality of the exhibit. This can have a positive cascading impact on the exhibit and the institution, increasing the level of engagement of volunteers, donors, local partners and other groups. Key respondents from institutions that did not host major international exhibitions each year were more likely to report an impact on the number of memberships sold or the number of volunteers as the result of a major exhibition in comparison to those institutions that host several special exhibitions that include loans from outside the country each year.

According to the key informants from institutions that received indemnification, the exhibitions that are seen as being more prestigious tend to attract more visitors. The attendance figures over the past five years for indemnified exhibitions support this perspective. International exhibitions tend to have a significantly higher attendance than domestic exhibitions. The only exception to this trend was an exhibition of the works of a well-known Canadian artist that included loans from thirty-five different owners, thereby making available for public viewing works that may never be available again at one time and in one location. The median attendance at the international exhibitions that received support from the CTEIP was 93,602 visitors, more than double the median attendance of 45,226 at domestic exhibitions that received support from the CTEIP between 2006 and 2010 (the last year for which attendance figures are available).

Key informants from institutions that applied for support including those that have not received support for some exhibitions indicated that without indemnification:

- The number of loans would probably have to be reduced. One institution that applied for indemnification but did not receive it, cut back from four to two the number of countries from which loans were obtained. This could have had a negative impact on attendance and revenues.
- Plans to tour an exhibit to one or more other locations may have to be scaled back or cancelled altogether. One institution reported that an exhibition for which indemnification was sought but was not received, was not toured as planned.
- The funds that would have had to be used to pay for private insurance would have reduced the budget available for other aspects of the exhibition (e.g. material presentations, educational offerings, marketing, promotion, number of staff in the exhibition, etc.).
- It may have been necessary to cancel the exhibition.
- Other areas of the institution's operations, in particular the maintenance of facilities, may have to be cut back. The profits from large exhibitions are a key source of revenue that is used to meet the ongoing costs of operating the institution. In the longer term, if the facilities are not properly maintained, it may not be possible to host the type of exhibition for which indemnification is typically sought.

5.2.3 Final Outcomes

By attending major exhibitions, Canadian have enhanced awareness, understanding and appreciation of Canadian and/or international cultural heritage.

Institutions that have had exhibitions supported with indemnification do not conduct regular data on visitor satisfaction or the increased awareness that may result from a specific exhibition. The literature review identified only three exhibits, none of which were indemnified under the CTEIP that conducted surveys on visitor satisfaction, how they heard of the exhibit, and the likelihood of returning for another visit to the institution in the coming year. None of the institutions contacted in the course of this evaluation reported having conducted a visitor survey to assess the impact of the indemnified exhibition. As a result, there is no quantitative information available on the extent to which the CTEIP has contributed to Canadians enhanced awareness, understanding and appreciation of Canadian and/or international cultural heritage.

However, one would expect that most visitors who had not previously been exposed to information on exhibited objects would increase their awareness, understanding and appreciation of Canadian and/or international cultural heritage by attending any exhibit. The key difference between an institution's permanent exhibit and an indemnified travelling exhibition is the nature of the objects displayed. The indemnified exhibition makes available objects that otherwise would never be available for viewing in person in a Canadian community.

5.2.4 Program Reach

The CTEIP has a limited and diminishing reach.

The general trend over the past five years is that the program is supporting fewer exhibitions travelling to fewer locations. Over the period April 1, 2006 to March 31, 2011, 34 exhibitions organized by 12 different institutions located in British Columbia, Manitoba, Ontario and Quebec travelled to 51 different locations (many more than once). There have been no new indemnified domestic exhibitions over the period April 1, 2009 to March 31, 2011¹¹. Since there is no longer sufficient indemnification available for all eligible exhibitions, institutions have chosen to focus their requests for indemnification on proposed exhibitions with the highest values.

Key informants attributed the limited and diminishing reach to several factors including:

- The inadequacy of the current maximum amount of indemnification that can be provided in a given fiscal year. Key informants who cited this were generally from institutions that had not received indemnification for an exhibit as expected due to the impact of the legislated maximums.

¹¹ The National Gallery of Canada had an exhibit that first opened prior to April 1, 2009 that was still touring after that date.

- The requirement that the value of objects from outside the country must exceed the value of objects borrowed from inside the country unless the exhibit is shown in at least two provinces. Smaller museums may not be in a position to mount an exhibit that will tour outside the province with a large number of international objects but could mount one with a limited number of objects borrowed from outside the country. Other key informants were not concerned about the inability of smaller institutions to qualify. It was noted that standards of practice have to be applied and it is more difficult for smaller institutions to meet them.

Key informants from institutions contacted that had not applied for indemnification were generally well aware of the program, but their exhibits in recent years did not have a high enough value to qualify. One noted that for galleries of their size, exhibition fees and transportation costs are usually the biggest obstacle to touring exhibitions and not insurance costs.

5.2.5 Unintended Outcomes

In large measure, the CTEIP has achieved the planned immediate and intermediate outcomes when indemnification has been provided to support an exhibition, without unintended outcomes for the direct participants.

The economic impact studies examined as part of the literature review showed that museums and art galleries in particular, have a positive economic impact on the local community and region. The Economic Impact Model for the Arts and Heritage (EIMAH) developed by the Heritage Group and available on the Canadian Heritage Information Network (CHIN)¹², is an available tool for calculating it. Most of this economic benefit is realized by the government through increased tax revenues and the tourism sector through the provision of transportation services, accommodation, and meals to out-of-town guests who have come expressly to see a specific exhibit.

Economic impact studies have not been conducted of exhibitions indemnified under the CTEIP over the past five years. There was a study, however, of the economic impact of the *Titanic: The Artifact Exhibition* which was shown at the Royal British Columbia Museum from April 14 to October 14, 2007.¹³ The study estimated that 120,000 incremental visitors came to Southern Vancouver Island as a result of the exhibit that generated US\$2.15 million in federal, US\$2.18 million in provincial, and US\$0.257 million in municipal tax revenues. It is estimated that total attendance was over 470,000 paid visitors¹⁴.

Economic impact studies were also conducted of *Renoir's Portrait: Impressions of an Age* shown at the National Gallery of Canada in 1997 and the *Barnes Exhibit* at the Art

¹² www.rcip-chin.gc.ca/mieap-eimah/aproposde-about-eng.do

¹³ This exhibition was not indemnified by CTEIP.

¹⁴ CEO's Report, Royal BC Museum Annual Report 2007-08

Gallery of Ontario in 1994. Over US\$30 million in economic activity that was directly attributable to the exhibit was generated in each case. The 1998-99 *Leonardo Da Vinci Exhibit* at the Royal British Columbia Museum generated an estimated US\$14 million in tax revenues for the three levels of government.

5.3 Performance: Efficiency and Economy

5.3.1 Resource Utilization

The CTEIP has a positive net impact on the Government of Canada's tax revenues.

While there were no economic impact studies undertaken of exhibitions indemnified by the CTEIP over the past five years, other impact studies reported in the literature review found that major exhibitions can have a very positive impact on federal tax revenues. As shown in Appendix G, economic impact studies on exhibitions hosted by Canadian institutions have estimated an increase in federal tax revenues of between about \$20 to \$115 per out-of-town visitor. The number of incremental visitors attracted to the local area because of the exhibition was in the 20 to 25 per cent range. If the results of these impact studies are applied to the exhibits indemnified under the CTEIP since 2006, an estimated \$2 million to \$15 million in federal tax revenues could potentially be generated each year as a result of the increase in out-of-town visitors. This range amount of \$2 million to \$15 million is between six to almost 50 times greater than the \$320,000 the Government of Canada spends each year to operate the CTEIP.

Since the CTEIP was implemented in 2000, there have been no claims. This experience mirrors that of other state indemnity programs around the world. Over the period 2005-2009, 18 member states of the European Union accepted 5,600 indemnity requests. Out of these 5,600 applications, only seven damage claims were reported with a total amount of about €80,000 (~US\$110,000) being paid out.¹⁵ Since the establishment of its indemnification program in 1975, the United States of America has only had two claims totalling US\$105,000, which occurred prior to 1995.

Key informants were unanimous in their opinion that the CTEIP is a cost effective program. It was described as being a "clever program" that offers a solution by using tools only available to government to assist Canadian institutions quite economically without using taxpayers' money. At the same time, there is a requirement that standards be followed so as to manage the risk. It was noted that it would take a series of simultaneous catastrophic events (e.g. multiple plane crashes containing objects being conveyed, and/or destruction of more than one major gallery such as the Art Gallery of Ontario, the National Gallery of Canada, the Montréal Musée de beaux art or the Winnipeg Art Gallery), for the losses to approach the maximums set out in the legislation. Vandalism and fires are the most likely causes of damage or loss. Fires most often occur during construction and as a result, the state of the fire protection in

¹⁵ Lecture for the International Exhibition Organisers meeting, April 15, 2010 Hermitage Amsterdam, Frank Bergevoet, Coordinator Collections Mobility 2.0, www.lending-for-europe.eu/index.php?id=189&STIL=0, accessed March 23, 2011

institutions hosting an indemnified exhibit is something that is examined closely before a recommendation on indemnification is formulated.

The program also has a positive impact on participating institutions by reducing their insurance costs by between six and thirteen times what it costs the federal government to operate the CTEIP.

Based on information obtained by the CTEIP management in February 2010 from a Canadian insurance company and from the United Kingdom Museums Libraries and Archives Council, commercial premiums for travelling exhibits are between 1/4 to 1/2 of one percent of the total insurable value. For just the new exhibits indemnified each year, this translates into insurance costs ranging from between \$2 million and \$4 million a year that do not have to be paid because of the indemnification provided by the Government of Canada. This amount is six and a quarter times to 12 1/2 times greater than what it costs the Government of Canada to operate the program. In Japan, where a state indemnification program was in the final stages of approval in early 2011, the cost of insurance was estimated to be over 20 percent of the budget for an entire exhibition particularly where the show relied heavily on foreign loans.

5.3.2 Performance Measurement Information

Data has been maintained on all applications for indemnification since the Program's inception in a Microsoft Excel spreadsheet. The data collected included the total value of the exhibition, the total indemnified, the number of indemnification agreements, the start and end date for when indemnification was provided, the total number of Canadian venues the exhibit was shown at, the number of indemnified venues and the total number of visitors to indemnified locations. A summary of this data for the period 2006-2011 is provided in Appendix F. This data was critical for the conduct of this evaluation.

As part of the Management Response to the 2006 Evaluation, post-indemnification questionnaires to be filled out by the organizing institution and indemnified locations were developed. The questionnaires asked for all of the information collected in the past.

As well, it sought to obtain information on:

- the knowledge of lenders on the program
- the extent to which the availability of indemnification influenced loan negotiations or the quality of the exhibition
- reasons for any lenders refusing Canadian indemnity
- reasons why the organization may not have sought indemnification for other eligible travelling exhibitions
- data collected by institutions on visitor appreciation or increased awareness as a result of the exhibition
- impacts of the exhibition on the institution
- how the cost savings on insurance were reallocated towards other elements or activities of the exhibition

- any mechanical, policy or infrastructure changes required as a result of the facilities review process
- suggested improvements for the CTEIP

As a result of delays in finalizing the questionnaire, coupled with the lag time between when an indemnified exhibition starts and when it ends, information was not available from this source for the evaluation. It would have been quite useful in determining the extent to which program outcomes were achieved.

5.3.3 Program Design and Alternatives

The basic program design for the CTEIP is consistent with that used in many other countries.

Twenty-one of the 27 full members of the European Union had some form of state indemnification program in place by 2010. Other major countries that have some form of state indemnification to cover the risk associated with loaning cultural artifacts include New Zealand and the United States. Japan was in the final stages of implementing such a scheme in early 2011. Australia implemented an insurance program July 1, 2010 that provides funding to institutions to cover the cost of purchasing insurance for major touring exhibitions of cultural material. During the period 2001 to 2010, the government of Australia purchases insurance privately so that it could indemnify exhibits. Prior to 2001, it had an indemnification program similar to that of other major countries.

The specifics in terms of the amount of coverage provided, who can apply for support and what types of objects will be covered, varies from country to country. A summary of the specifics of the programs in a number of countries is provided in Appendix H. A number of countries (United States of America, United Kingdom) have higher maximum values than Canada while others are lower (New Zealand). In New Zealand, the maximum total liability that can be outstanding at any point in time can be exceeded with Cabinet approval. It has been necessary to do this three times in the past five years.

The CTEIP is unique and generally does not overlap with other federal or provincial programs.

The Access to Heritage component of the Museums Assistance Program (MAP) administered by PCH provides up to 70 percent of eligible costs to a maximum of \$200,000 per project per fiscal year in funding for travelling exhibitions that are shown in at least one venue in Canada outside the province/territory of origin. Funding is provided for the design, production, promotion and circulation of the exhibit and the research, design and production of associated promotional materials. Additional insurance costs associated with the travelling of the exhibition are eligible for funding.

Funding for the touring of an exhibition is also available under MAP's Exhibition Circulation Fund (ECF). It provides up to \$15,000 for the costs for borrowing a travelling exhibition originating from a museum in another province/territory or from a

federal heritage institution. Funding can be sought from ECF to host an exhibition originating from a museum in the applicant's province or territory if the exhibition has already received funding under the Access to Heritage or Aboriginal Heritage component of MAP, the exhibition has already been shown outside the province of origin, and circulation to the applicant's venue has not already been funded by the MAP.

Key informants generally saw the CTEIP and the MAP as quite different but complementary programs. The CTEIP is designed for larger exhibitions while the MAP provides support for smaller exhibitions that would not generally qualify for support under the CTEIP. Federal cultural institutions (e.g. Canadian Museum of Civilization, Canadian Museum of Nature, Canadian War Museum, and National Gallery of Canada) are not eligible for support under the MAP but are eligible for indemnification under the CTEIP. A key feature of the CTEIP which is not found in the MAP, is the support it provides for objects borrowed from outside the country.

Six of the ten provinces administer funding programs to support exhibits in some way. The programs generally make collections housed within the province more accessible either by supporting the touring of an exhibit, the development of an exhibit, or provide ongoing operating funds that can be used for exhibits. In some cases, support is only provided to enable the exhibits to be seen in different communities within the province. In other cases, support is available that enables an institution to tour an exhibition it has developed outside the province. Quebec is the only province with a program that provides funding to assist in hosting an exhibition from another province, country or a federal cultural institution.

As well, under the terms of an Order in Council, the Quebec government self insures the permanent collections and objects belonging to third persons in the possession of the three provincial museums in Quebec. Municipal museums in Quebec, however, are not eligible for insurance coverage from the Government of Quebec. The Province of British Columbia under its *Guarantees and Indemnities Regulation* could provide indemnity for travelling exhibitions with the prior written approval of the Minister of Finance and the Lieutenant Governor in Council after consultation with Treasury Board. There was no evidence obtained that the Province of British Columbia had ever used this Regulation to provide indemnification for a travelling exhibition.

Significant benefits are unlikely to be realized by combining the administration of the CTEIP with the MAP.

While the CTEIP and the MAP are both designed to promote access to heritage and some institutions may be eligible for support under both, most key respondents did not believe that there would be significant operational benefits realized if the two were combined. Factors that preclude combining the two operationally include:

- The expertise required to assess an application for support under the CTEIP. Program officers administering the MAP need to be familiar with the requirements for transfer

payment programs while those administering the CTEIP need to be very familiar with risk management as it apply to collections.

- Under the MAP's various components, funding is provided to approximately 200 institutions a year (average funding of \$33,500 per institution) whereas under the CTEIP, only seventeen institutions received support over the period 2006-2011.
- Under the MAP, up to \$200,000 per exhibition per year is provided while under the CTEIP, the risk associated with the contingent liability of up to \$450 million per exhibition must be managed.
- Some institutions qualify for one program and not the other.

Many key respondents from institutions were concerned that such an approach could impact the standards applied to the CTEIP and about the ability of the program officer to have the range of knowledge that would be required to administer both programs.

The general consensus among the respondents interviewed was that the CTEIP should be a federal responsibility with a Canada-wide perspective.

The provinces, municipalities, private sector or the non-profit sector were not seen as viable alternatives.

While some key informants acknowledged that programs could be delivered by the provinces, there were concerns. These included:

- The federal government's involvement is required before some international lenders will consider loaning their objects.
- The ability of all provinces to take on the required contingent liability.
- The lack of consistency in programs to support access to heritage across the country. There is a real possibility that a provincial program would be limited to providing access to heritage from the province. Only one of the six provinces that currently has a program in place that provides support from bringing an exhibit in from out of province.
- The program provides support to providing access to objects of significance and relevance to Canadians and thus should be supported by the federal government.

Even if responsibility was moved to the provinces for most institutions, the federal government would still need to have a continuing role for the national heritage institutions.

Insurance from the private sector was used in the past and it proved to be quite expensive (approximately \$450,000¹⁶ a year in the early to mid 1990s) in relation to the claims, of which there were none. As well, the values that need to be insured are so high that Canadian companies would have to mitigate their risk by having at least part of the policy

¹⁶ This cost will be higher in 2011 dollars.

underwritten by international insurance companies. As a result, a significant proportion of the premiums would move outside of Canada, benefiting foreign companies if no claims were made.

Concerns were also voiced with respect to the non-profit sector delivering the program as it would be unable to undertake the responsibility without the backing of the Government of Canada. Where this model is used (e.g. United States and United Kingdom), the government still provides the indemnity.

Opportunities exist for improving the CTEIP

Key informants were generally very complimentary of the day-to-day operations of the program. CCI is now using the same facility assessment for the CTEIP and the Movable Cultural Property Program. The paperwork for an assessment under the CTEIP needs to be resubmitted every five years. CCI focuses on what has changed in the facilities during the intervening period.

There were, however, a number of opportunities for improvement that were identified. These included:

- Changing the application deadlines. The deadline dates for applications are October 1 for exhibitions requiring indemnification as early as the following January 1, and April 1 for exhibitions requiring indemnification as early as the following July 1. Institutions may not have all of the required information (e.g. transport company to be used for conveyance, detailed floor plans for planned exhibition) at the time they must submit their application.
- Implementation of a database to track applications and the results achieved, currently a Microsoft Excel spreadsheet is used for tracking purposes.
- The use of a multi-year contract for services "on an as when needed basis" with members of the expert panel. Currently a personal services contract is put in place each time the committee is scheduled to meet.

When key informants were asked how they would improve the program, responses included:

- Increase the amount of contingent liability available. This was heard most frequently from institutions that are regularly seeking indemnification¹⁷.
- Improve the timelines for decision making. The timelines are not clear which adds to the uncertainty for an institution as it assembles a potential exhibit from other institutions, artists and private collectors. Concern was also voiced about how far in advance applications had to be made. As several key informants noted, applications required well in advance of need favored larger institutions with a longer planning

¹⁷ Five different institutions were refused indemnification for six different exhibits because the maximum available indemnification for the year had been reached. One of the five institutions also chose to obtain private insurance due to uncertainty with respect to the availability of indemnification.

horizon and/or those bringing in an exhibition already assembled by another institution.

- Reduce the paperwork associated with the application in particular for those institutions that have a well established track record. The key informant from one large institution was surprised to have been asked what type of latex gloves would be used to handle the artifacts. As they noted, the institution has considerable expertise in handling artifacts and this kind of time consuming scrutiny seems to be a waste of their time and that of the program. Indemnification agreements with the owners of the objects and not the institutions with current custody was also seen as adding to the administrative overhead.
- Better communication with institutions on the current status of an application, the number of applications being considered, and the potential availability of indemnification. Institutions saw answers arriving quite late in their process to mount major exhibitions, especially when indemnification was not provided or they only received partial support¹⁸.
- Reduce the number of exclusions for indemnification. Standard exclusions in indemnification agreements include normal wear and tear, gradual deterioration, vermin, inherent vice, pre-existing flaw or condition, radioactive contamination, wars, strikes, riots, civil commotion, or repair, restoration or retouching processes other than those repair, restoration or retouching processes undertaken at the request of the Minister.

As requested by the program, key informants were also asked whether it would be beneficial to expand the CTEIP's coverage to include exhibitions exported from Canadian institutions to foreign borrowers. Most of the key informants from institutions were supportive of this as it would make their objects more attractive to foreign institutions, at least in those countries that don't have their own state indemnification program.

Others noted that it would be much more difficult to manage the risk associated with objects moving out of Canada to institutions in other countries. Further, most of the countries where Canadian objects were likely to be sent have a state indemnification program so there is no need for Canada to provide this type of support. In those cases, a Canadian program providing indemnification for loans being sent overseas would only be beneficial if the Canadian maximums were higher than the maximums in the country to which the object was being sent. Concern was also voiced with respect to the impact on the ability of Canadian institutions to receive support under the CTEIP if the program was expanded without a commensurate increase in the maximum amount of indemnification available.

¹⁸ Indemnification for the full value of the exhibition less the prescribed deductible is not always provided. For example, objects that may be easily damaged during shipping even though they have been well packed may be explicitly excluded from the indemnification provided.

6. Conclusions

The following conclusions can be drawn from the summative evaluation of the CTEIP:

Relevance

- The CTEIP continues to be needed to facilitate access for Canadians to Canadian and world heritage. Many potential lenders will not make their objects available unless there is indemnification or insurance in place that has the backing of government. The indirect financial support from the CTEIP due to not having to spend potentially hundreds of thousands of dollars or more on insurance, also permits institutions to host exhibitions that would otherwise not have occurred and better enables them to reach their tutorial and institutional goals. Together, these factors provide greater access for Canadians to a broader spectrum of heritage objects.
- The CTEIP aligns with the priorities of Canadian Heritage by making cultural content accessible. It is also an explicit element with the PCH Program Activity Architecture. The CTEIP has links with the Government's priorities. As noted by the Minister of Canadian Heritage in his speeches, arts and culture are essential to Canada's communities and its economy. There is broad acceptance that museums and art galleries in particular, have a positive economic impact on a community and region. Major one time exhibitions such as those indemnified under the CTEIP can draw a significant number of visitors to a region with the associated economic spin offs.
- The federal government is uniquely positioned to deliver a program like the CTEIP as only the Crown can easily assume the level of liability involved. By having the federal government deliver the program, there is greater assurance that institutions in all parts of the country will be eligible for the same level of support. There is no obvious third party that could take on this responsibility and if there was, it would still need the indemnification backed by the Crown. Such a model is in place in several other countries.

Performance: Achievement of Expected Outcomes

- Specific performance targets for the CTEIP in terms of a specific level of participation or increase each year have not been established. Identifying such targets for an on-going program such as the CTEIP which has been hitting the ceiling with respect to available indemnification, has limited meaning. The existence of a program such as the CTEIP facilitates the occurrence of planned immediate and intermediate outcomes. If it ceased to exist, the number of objects loaned and the number of travelling exhibitions is likely to decrease.
- The CTEIP has a limited and diminishing reach. The general trend over the past five years is that the program is supporting fewer exhibitions travelling to fewer locations.

The primary contributing factor to this trend is the significant increase in the value of cultural objects, in particular art work, over the past decade while the maximums set out in the legislation have remained constant.

- The CTEIP is achieving planned outcomes as defined in the program logic model (see Appendix C).
 - Four to eleven new indemnified exhibitions were launched each year during the period April 1, 2006 to March 31, 2011 resulting in significant savings on insurance for the participating institutions.
 - The risk to the Crown was appropriately mitigated. There have been no claims since the CTEIP was launched in 2000.
 - The indemnified exhibitions increased institutional capacity to circulate international and domestic travelling exhibitions and engage Canadians in cultural heritage. Indemnified exhibitions, in particular those that included a significant number of objects loaned by owners from outside of Canada, generally had higher attendance figures, generating more revenues for the institution, thereby enabling it to maintain or increase its capacity in other areas of its operations.
 - While there was no quantitative data available on the extent to which the CTEIP contributed to Canadians enhanced awareness, understanding and appreciation of Canadian and/or international cultural heritage, logically one would expect that there would be a positive impact in this regard for anyone who attended an exhibition.
- There have been no unintended consequences for the direct participants when indemnification under the CTEIP has been provided. Six exhibits for which five different institutions applied for indemnification over the period April 1, 2006 to March 31, 2011 but did not receive it because there was no capacity left in the program for the year, proceeded nonetheless. The number of objects borrowed was scaled back and plans for touring one exhibit to another location were cancelled as a result. Plans in many cases may have been sufficiently advanced such that cancellation of the exhibit may not have been considered an option.
- While economic impact studies were not conducted of exhibitions indemnified under the CTEIP over the past five years, economic impact studies of other major exhibitions showed that there is an increase in incremental visitors to an area due to special exhibits hosted by heritage institutions which has a positive impact on government tax revenues and the tourism sector.

Performance: Efficiency and Economy

- The CTEIP has an estimated positive net impact of between \$2 million and \$15 million a year on the federal government's tax revenues due to the economic activity generated by the incremental increase in the number of visitors who attend an exhibition that has received support through the CTEIP. This is six to almost 50 times greater than the \$320,000 a year it costs the Government of Canada to operate

the program. At the same time it provides program participants with insurance cost savings of between \$2 million and \$4 million a year. There have been no claims since the program was established in 2000. Countries with a similar program have also had few if any claims. Over the period 2005-2009, there were only seven damage claims reported with a total amount of approximately US\$110,000 paid out. The United States has not reported a claim under their program in over fifteen years.

- The CTEIP program design is consistent with that used in many other countries. Twenty-one of the 27 full members of the European Union, New Zealand and the United States all have some form of state indemnification to cover the risk associated with loaning cultural artefacts.
- The CTEIP is unique and generally does not overlap with other federal or provincial programs. Funding is available under the MAP for the design, production, promotion and circulation of travelling exhibitions. Exhibitions funded under MAP do not qualify for support under the CTEIP because they are too small and don't meet the eligibility requirements. Six of the ten provinces administer funding programs to support exhibits in some way but Quebec is the only province with a program that provides funding to assist in hosting an exhibition from another province, country or federal cultural institution. This support is only available to provincial heritage institutions.
- Significant benefits are unlikely to be realized by combining the administration of the CTEIP with another program such as the MAP due to the different expertise required to manage each. Within the CTEIP, program officers must consider how the contingent liability of up to \$450 million per exhibit can be appropriately mitigated while with the MAP, the focus is on assessing the impact of \$33,500 contribution on average to an institution.
- Beyond increasing the maximum amounts available for indemnification as prescribed by the *Act*, there may be some opportunities for improving the day-to-day operations of the CTEIP. These include:
 - Modifying the number and/or the specific application deadlines.
 - Using a multi-year contract "on an as when needed basis" for services provided by members of the expert panel. This could easily be done in the form of a standing offer for services and would expedite the process for obtaining services on an ongoing basis.
 - Improving communications with applicants and potential applicants so that they have more timely information on the availability of indemnification and the likelihood that their information will receive indemnification. This information is critical for institutions to inform their decisions with respect to mounting or hosting potential exhibitions.
 - Reducing the paperwork for at least some applicants. As part of the risk assessment associated with evaluating each application for indemnification,

- consideration needs to be given to the track record of each applicant in hosting similar exhibitions in the past.
- The requests for information and the formal obligations placed on participating institutions should be commensurate with this assessment.
 - Other opportunities identified by key informants should have a lower priority.
 - While a database to track applications and the results achieved could improve program efficiency, the cost of developing it could easily exceed the benefits. The number of applications is small and while the current spreadsheet is awkward to use, the information is available.
 - There are standard exclusions applied when determining which objects will be indemnified and which ones will not. On a case by case basis, some of these exclusions have been waived. It is not surprising that institutions would like to have the number reduced. The Government of Canada, however, needs to consider the potential risks associated with any change. In the meantime, there is an avenue that can be used when waiving a specific exclusion can be justified and will help promote planned program outcomes.
 - Plans are in place to collect more information from program participants that will provide program management with ongoing information on the extent to which program outcomes are achieved. For the moment, the post-questionnaire is not used on a regular basis. If collected, it should reduce the level of effort required for future program evaluations. The data available from program records was useful in the conduct of this evaluation as it mostly concentrates on strategic implications.

7. Recommendation

Recommendation: Given the evolution of the program's environment since 2000, the Department should develop options for the consideration to address the issue of diminishing program impact relating to rising exhibition values in the context of a fixed ceiling for liability.

Rationale: Market values for heritage objects have increased significantly since the CTEIP was launched and there is nothing to suggest that this trend will not continue.

8. Management Response and Action Plan

Overall Conclusion: The Heritage Policy and Programs Branch concurs with the findings and conclusions in the evaluation report on the Canada Travelling Exhibitions Indemnification Program, as well as the sole recommendation which calls for the development of options to ensure the Program's continued effectiveness.

Management response: Accepted.

Responsibility: Executive Director, Heritage	Target Date
A range of options will be developed for discussion with the Canadian Heritage officials. Subsequent steps will be in accordance with consultation results.	Fall 2011

Appendix A – List of References

Background

CTEIP program background (Internet site)
CTEIP Application Form
CTEIP Facilities Evaluation Form
CTEIP Results based Management Accountability Framework May 30th 2006
CTEIP 2006 Summative Evaluation Report
CTEIP Management Response to 2006 Summative Evaluation Report
CTEIP 2006 Audit recommendations and follow-up

Relevance

Canada Travelling Exhibitions Indemnification Act
Canada Travelling Exhibitions Indemnification Regulations
Department of Canadian Heritage Act
Museums Act, 1990
Canadian Heritage 2010-11 *Report on Plans and Priorities*
Hansard, Number 214, Friday, April 23, 1999 (second reading for Bill C-64, an act to establish an indemnification program for travelling exhibitions)
Hansard, Number 233, May 28, 1999 (consideration of Bill C-64, an act to establish an indemnification program for travelling exhibitions, as reported (with amendment) from the committee
House of Commons Committee Evidence, Standing Committee on Canadian Heritage, April 28, 1999
House of Commons Committee Evidence, Standing Committee on Canadian Heritage, May 11, 1999
House of Commons Committee Evidence, Standing Committee on Canadian Heritage, June 6, 2006
Proceedings of the Standing Senate Committee on Social Affairs, Science and Technology, Issue 36 - Minutes of Proceedings, June 9, 1999
Senate Debates Issue 143, June 2, 1999 (second reading of Bill C-64, to establish an indemnification program for travelling exhibitions)
Speech from the Throne, 3 March 2010, *A Stronger Canada. A Stronger Economy. Now and for the Future*
Speech from the Throne, 26 January 2009
Budget 2009: *Canada's Economic Action Plan*
Arts, Culture & Delivering Results for Canada, speech by the Hon. James Moore, PC, MP Minister of Canadian Heritage & Official Languages at the Canadian Media Production Association "Prime Time Conference" February 17, 2011
Comments made by the Hon. James Moore, PC, MP Minister of Canadian Heritage & Official Languages at the opening of the meeting of Federal/Provincial-Territorial Ministers Responsible for Culture and Heritage St. John's, Newfoundland and Labrador, August 12, 2010

Statistics Canada, *Number of international travellers entering or returning to Canada, by type of transport*, CANSIM 427-0001

Statistics Canada, *Travel Survey of Residents of Canada, domestic travel, by province and census metropolitan areas*, annual, CANSIM 426-0013

Effectiveness

February 19, 2010 emails to Keith Wickens, Manager Indemnification Program from a Senior Vice President with a major Canadian insurance corporation and from a manager with Museums Libraries and Archives Council on insurance premiums for travelling exhibitions.

Performance statistics on the status of applications received and the results achieved by organizations that were successful in their applications for indemnification

Royal BC Museum Annual Report 2007-08

Efficiency and economy

Evaluation of the Museum Assistance Program, January 2010

Museum Assistance Program Guidelines for 2011-12

Guarantees and Indemnities Regulation, B.C. Reg. 258/87

Québec National Museums Act

Lecture for the International Exhibition Organisers meeting, April 15, 2010 Hermitage Amsterdam, Frank Bergevoet, Coordinator Collections Mobility 2.0, www.lending-for-europe.eu/index.php?id=189&STIL=0, accessed March 23, 2011

Appendix B – List of Key Informants

Canadian Heritage

Tom Scrimger, Assistant Deputy Minister, Citizenship & Heritage
Lyn Elliot Sherwood, Executive Director, Heritage Group
Keith Wickens, Manager, Indemnification Program
Susan Murdock, Director, Heritage Policy Development
Kathryn Zedde, Senior Policy Analyst, Heritage Policy Development
Charlie Costain, Associate Director General and Director, Research Services,
Canadian Conservation Institute

Program Applicants, 2006 to 2011

Art Gallery of Alberta
Art Gallery of Greater Victoria
Art Gallery of Hamilton
Art Gallery of Ontario
Canadian Museum of Civilization
Canadian War Museum
Confederation Centre of the Arts
Glenbow Museum
Library and Archives Canada
Montreal Museum of Fine Arts
National Gallery of Canada
Pointe-à-Callière, musée d'archéologie et d'histoire de Montréal
Royal British Columbia Museum
Royal Ontario Museum
Vancouver Art Gallery
Winnipeg Art Gallery

Non Applicant Institutions Covered

Art Gallery of Windsor
Mackenzie Art Gallery
The Rooms Provincial Art Gallery

Non-Participating Institutions

Canadian Museum of Nature
Mackenzie Art Gallery
The Rooms Provincial Art Gallery

Other Indemnification Programs

Australia
New Zealand
United States of America

Other

Ian Hodkinson, Emeritus Professor of Art Conservation

Appendix C – CTEIP Logic Model

	Applications for Indemnification	Claim Against Indemnity Agreement	Reach
Activities	<ul style="list-style-type: none"> • Review application for indemnification • Review facilities for eligibility (CCI) • Communications to potential applicants about the CTEIP • Advice and guidance to Canadian heritage institutions on appropriate equipment and practices to mitigate risk 	<ul style="list-style-type: none"> • Assess indemnification claims for validity 	<ul style="list-style-type: none"> • Canadians • owners/lenders of significant artifacts • Canadian publicly owned museums, art galleries, archives and libraries • Department of Finance • CCI • expert consultants
Outputs	<ul style="list-style-type: none"> • Facilities assessments • Exhibition assessments • Indemnity Agreements 	<ul style="list-style-type: none"> • Recommendations with respect to payments for claims 	
Immediate Outcomes	<ul style="list-style-type: none"> • Reduced insurance costs for participating institutions • Risk to the Crown is mitigated • Indemnified travelling exhibition 	<ul style="list-style-type: none"> • Artifact owner fairly compensated for damage or loss 	
Intermediate Outcomes	Increased institutional capacity to circulate international and domestic travelling exhibitions and engage Canadians in cultural heritage		
Ultimate Outcome	Canadians have enhanced awareness, understanding and appreciation of Canadian and/or international cultural heritage		
PCH Strategic Objective	Canadian artistic expressions and cultural content are created and accessible at home and abroad		

Appendix D – Evaluation matrix

Issues/Questions	Indicators	Methodology			
		Document Review		Key Informant Interviews	Database Reviews
		Program Related	Other Literature		
Relevance					
Does the CTEIP continue to address a demonstrable need? Is the program responsive to the needs of Canadians?	<ul style="list-style-type: none"> Evidence of a continued need for the government to support travelling exhibitions State of heritage institutions and changes over last 5 years 		√	√	
Is the CTEIP still consistent with federal government priorities and with the Department's strategic objectives?	<ul style="list-style-type: none"> Alignment of the CTEIP's mandate and objectives with current federal government priorities Alignment of the CTEIP's mandate and objectives with Canadian Heritage's strategic objectives. 	√	√		
Is it appropriate for the Federal government to be delivering this program's activities?	<ul style="list-style-type: none"> Need for federal government to deliver the CTEIP Candidate for delivery by provinces, NGOs, Private industry 	√	√	√	
Performance: Achievement of Expected Outcomes					
Outputs					
To what extent has the CTEIP progressed towards its expected outcomes and targets?	<ul style="list-style-type: none"> # of facilities assessment # of indemnification application approved # of indemnification application rejected # of reports on indemnified institutions # of exhibitions assessed # of recommendations to Minister # of agreements # files analyzed / recommendations for claims payment 				√
Immediate Outcomes					
To what extent has the CTEIP progressed towards its expected outcomes and targets?	<ul style="list-style-type: none"> Insurance cost savings # of indemnified exhibitions circulated # of objects lost or damaged # and value of valid claims submitted 		√	√	√

Issues/Questions	Indicators	Methodology			
		Document Review		Key Informant Interviews	Database Reviews
		Program Related	Other Literature		
Intermediate Outcomes					
To what extent has the CTEIP progressed towards its expected outcomes and targets?	<ul style="list-style-type: none"> # of institutions that improved facilities to meet standards # of eligible institutions applying to program # of applications per institution for indemnification Increased revenue for Canadian hosting institutions 		√	√	√
Ultimate Outcomes					
To what extent has the CTEIP progressed towards its expected outcomes and targets?	<ul style="list-style-type: none"> # of visitors to indemnified travelling exhibitions # of increased memberships # of increased volunteers. # of communities reached by indemnified exhibitions Level of satisfaction of Canadians regarding travelling exhibitions 			√	√
Reach and Design					
Does the program have sufficient reach? (effect of program design on the program's objectives)	<ul style="list-style-type: none"> View of key informants regarding program reach and design (Including liability cap per exhibition and fiscal year) 			√	
Performance: Demonstration of Efficiency and Economy					
Are Canadians receiving good value for their investment in the CTEIP?	<ul style="list-style-type: none"> Evidence of outcomes and objectives achievement Overall cost per outcome Ratio O&M to indemnified art over 5 year cycle. 		√	√	√
	<ul style="list-style-type: none"> Does the CTEIP duplicate services with other programs offered by other levels of government or agencies? 	√		√	
Is the CTEIP collecting appropriate information to support reporting and evaluation requirements?	<ul style="list-style-type: none"> Adequacy of performance measurement information 	√		√	

Appendix E – Instruments

Interview Guide	Guide des entrevues
<p><i>The Department of Canadian Heritage (PCH) is currently in the process of conducting a summative evaluation of the Canada Travelling Exhibitions Indemnification Program (INDEM). The objectives of INDEM are to:</i></p> <ul style="list-style-type: none"> • Increase access for Canadians to Canada’s and world’s heritage through the exchange of artefacts and exhibitions in Canada; and, • Provide eligible Canadian heritage institutions with a competitive advantage when competing for the loan of prestigious international exhibitions. <p><i>The Department has mandated Hallux Consulting Inc. to conduct this evaluation on its behalf. The purpose of the evaluation is to assess the relevance, success and impact and cost-effectiveness of and the alternatives to INDEM. Our questions today touch one or more of these aspects. We expect the interview to last about an hour.</i></p> <p><i>Your response will be kept confidential. Your name and organization will not be linked, directly or indirectly, to any of the information presented in the evaluation.</i></p> <p>Do you have any questions before we begin?</p>	<p><i>Le ministère du Patrimoine canadien entreprend en ce moment une évaluation sommative du Programme d’indemnisation pour les expositions itinérantes au Canada (INDEM). Les objectifs d’INDEM sont les suivants :</i></p> <ul style="list-style-type: none"> • Augmenter pour les Canadiens les possibilités d’accès au patrimoine canadien et au patrimoine mondial grâce à l’échange d’objets et d’expositions au Canada; • Fournir un avantage concurrentiel aux musées, bibliothèques et services d’archives canadiens lorsqu’ils se mesurent à des établissements étrangers pour emprunter des expositions internationales prestigieuses. <p><i>Le ministère a demandé à Hallux Consulting Inc. de se charger de cette évaluation en son nom. Il s’agit d’évaluer la pertinence, le succès et les impacts, ainsi que la rentabilité des solutions de rechange à INDEM. Nos questions aujourd’hui touchent à ces aspects. L’entrevue devrait durer une heure environ.</i></p> <p><i>Vos réponses seront traitées de façon confidentielle. Votre nom et votre organisme ne seront pas liés, directement ou indirectement, aux renseignements présentés dans l’évaluation.</i></p> <p>Avez-vous des questions avant de commencer?</p>

Evaluation Issues / Questions	Interview Question - English	Interview Question -- French	Key Informants								
			PCH Senior Mgmt	Program Mgmt	CCI	Successful Applicants	Unsuccessful Applicants	Non-Users	Experts	Other similar prog.	PCH Legal Counsel
Introduction	Please briefly describe your role or involvement to date with the Canada Travelling Exhibitions Indemnification Program.	Veuillez décrire brièvement votre rôle ou participation au Programme d'indemnisation pour les expositions itinérantes au Canada jusqu'à ce jour.	x	x	x	x	x	x	x		x
Relevance											
	In your view, is INDEM addressing a need? In what way?	D'après vous, l'INDEM répond-il à un besoin? De quelle manière?	x	x		x	x	x	x		
	Is the program responsive to the needs of Canadians? Why?	Ce programme répond-il aux besoins des Canadiens? Pourquoi?	x	x		x	x	x	x		
	How could the program be made more responsive to the needs of Canadians?	Comment ce programme pourrait-il être mieux adapté aux besoins des Canadiens?	x	x		x	x	x	x		
	What has changed over the past five years for heritage institutions that makes INDEM more or less relevant?	Qu'est-ce qui a changé au cours des cinq dernières années pour les établissements patrimoniaux qui rend l'INDEM plus ou moins pertinent?	x	x		x	x	x	x		
	Is it appropriate for the Federal government to be delivering this program's activities? Several other countries such as the UK and the US for example, have similar programs delivered by arms length organizations.	Est-il approprié que le gouvernement fédéral exécute les activités de ce programme? Plusieurs autres pays tels que le R.-U. et les É.-U., à titre d'exemple, ont des programmes similaires fournis par des organisations autonomes.	x	x		x	x		x		

Evaluation Issues / Questions	Interview Question - English	Interview Question -- French	Key Informants								
			PCH Senior Mgmt	Program Mgmt	CCI	Successful Applicants	Unsuccessful Applicants	Non-Users	Experts	Other similar prog.	PCH Legal Counsel
	To what extent do you believe that supporting heritage activities by indemnifying travelling exhibitions provides Canadian heritage institutions with a competitive advantage when competing for the loan of prestigious international exhibitions?	D'après vous, dans quelle mesure le soutien aux activités afférentes au patrimoine par l'indemnisation des expositions itinérantes fournit-il aux institutions patrimoniales canadiennes un avantage compétitif dans le cadre de la concurrence pour le prêt d'expositions internationales prestigieuses?	x	x		x	x	x	x		
	What would be the benefits of expanding INDEM to provide coverage for exhibitions exported from Canadian institutions to foreign borrowers?	Quels avantages présenterait l'expansion d'INDEM à l'indemnisation pour des expositions d'institutions canadiennes exportées à des emprunteurs étrangers?	x	x		x	x	x	x		
	What do you think would have been the impact on your exhibitions that received indemnification under INDEM, had they not been approved?	Selon vous, quelle aurait été l'incidence sur vos expositions ayant reçu une indemnisation si elles n'avaient pas été approuvées?				x					
	You applied for indemnification over the past five years and were not successful yet the exhibit still went ahead. What was the impact of not receiving indemnification for your exhibit? ¹⁹ What steps did you	Vous avez présenté une demande d'indemnisation en vertu d'INDEM au cours des cinq dernières années et vous n'avez pas été retenu. Cependant, l'exposition a quand même eu lieu. Quelle a				x ²⁰	x				

¹⁹ All unsuccessful applicants for indemnification during the period 2006-11 still proceeded with the planned exhibit. In the course of the interviews it was learned that one organization reduced the number of objects borrowed as a result and another did not take the exhibit on tour as initially planned.

Evaluation Issues / Questions	Interview Question - English	Interview Question -- French	Key Informants								
			PCH Senior Mgmt	Program Mgmt	CCI	Successful Applicants	Unsuccessful Applicants	Non-Users	Experts	Other similar prog.	PCH Legal Counsel
	have to take to obtain the necessary insurance coverage?	été l'incidence sur votre exposition de l'absence d'indemnisation? Quelles étapes avez-vous dû prendre pour obtenir la couverture d'assurance nécessaire?									
	What difference is there in the level of engagement of volunteers, donors, Local Partners, Municipality and other groups for an exhibit when you have received indemnification versus when you do not?	Quelle différence y a-t-il dans le niveau de participation des bénévoles, des donateurs, des partenaires locaux, de la municipalité, et d'autres groupes à une exposition lorsque vous recevez une indemnisation en vertu d'INDEM versus lorsque vous n'en recevez pas?				x ¹⁵					
	Do you think that other funding bodies (or groups) were (or would be) more or less inclined to provide a financial or in-kind contribution to your exhibition after learning (or if they knew) that INDEM had not provided support for your exhibition?	D'après vous, quels autres organismes (ou groupes) de financement étaient (ou seraient) plus ou moins enclins à verser une contribution financière ou en nature à votre exposition après avoir appris (ou s'ils savaient) que l'INDEM n'a pas fourni de soutien pour votre exposition?				x	x				

²⁰ Applies to the Musée de Beaux Arts de Montréal, National Gallery of Canada, Pointe-à-Callière Montreal Museum of Archaeology and History, Royal Ontario Museum, Winnipeg Art Gallery

Evaluation Issues / Questions	Interview Question - English	Interview Question -- French	Key Informants								
			PCH Senior Mgmt	Program Mgmt	CCI	Successful Applicants	Unsuccessful Applicants	Non-Users	Experts	Other similar prog.	PCH Legal Counsel
Performance: Achievement of Expected Outcomes											
	<i>The next few questions deal with the success and impacts of the INDEM.</i>	<i>Les prochaines questions portent sur le succès et les répercussions d'INDEM.</i>									
	What impact did the support you received under INDEM have on your insurance premium for the exhibit?	Quelle incidence a eu le soutien que vous avez reçu en vertu de l'INDEM sur votre prime d'assurance pour l'exposition?				x					
	What impact did the support you received under INDEM have on the willingness of owners to loan their objects for the exhibit?	Quelle incidence a eu le soutien que vous avez reçu en vertu de l'INDEM sur la volonté des propriétaires à prêter leurs objets pour l'exposition?				x					
	Did you have to improve your facilities (e.g. improve building security, environmental conditions) in order to be eligible for support under INDEM? If yes, please describe the changes made.	Avez-vous amélioré vos installations (par ex. amélioration de la sécurité du bâtiment, conditions ambiantes) afin d'avoir droit au soutien en vertu de l'INDEM? Le cas échéant, veuillez décrire les changements apportés.				x					
	How is your institution's revenue impacted during and immediately following an exhibition that received support through INDEM versus one that did not?	Quelles sont les répercussions sur les recettes de votre institution pendant et immédiatement après une exposition qui a reçu le soutien de l'INDEM versus une exposition qui ne l'a pas reçu?				x					

Evaluation Issues / Questions	Interview Question - English	Interview Question -- French	Key Informants								
			PCH Senior Mgmt	Program Mgmt	CCI	Successful Applicants	Unsuccessful Applicants	Non-Users	Experts	Other similar prog.	PCH Legal Counsel
	What impact is there on the number of visitors to your institution during an exhibition that received support through INDEM versus one that did not?	Quelles sont les répercussions sur le nombre de visiteurs de votre institution durant une exposition qui a reçu le soutien de l'INDEM versus une exposition qui ne l'a pas reçu?				x					
	Was data collected on visitor satisfaction or increased awareness as a result of the exhibition that received support from INDEM? If so, briefly explain how the data was collected and what the main findings were. [Ask for a copy of the study if one exists.]	Des données ont-elles été recueillies sur la satisfaction ou la sensibilisation accrue des visiteurs par suite de l'exposition qui a reçu l'appui de l'INDEM? Le cas échéant, veuillez expliquer brièvement comment les données ont été recueillies et quelles étaient les principales constatations. [Demandez un exemplaire de l'étude s'il en existe un.]				x					
	What impact is there on your membership levels when you have an exhibition that receives support from INDEM versus one that does not?	Quelle est l'incidence sur les niveaux d'adhésion des membres lorsque vous avez une exposition qui reçoit un soutien d'INDEM versus une exposition qui ne le reçoit pas?				x					
	What impact is there on your number of volunteers when you have an exhibition that receives support from INDEM versus one that does not?	Quelle est l'incidence sur le nombre de vos bénévoles lorsque vous avez une exposition qui reçoit un soutien d'INDEM versus une exposition qui ne le reçoit pas?				x					

Evaluation Issues / Questions	Interview Question - English	Interview Question -- French	Key Informants								
			PCH Senior Mgmt	Program Mgmt	CCI	Successful Applicants	Unsuccessful Applicants	Non-Users	Experts	Other similar prog.	PCH Legal Counsel
	Have there been any objects in an exhibition that was indemnified through INDEM damaged or lost? If so, was a claim submitted? How large was the claim?	Des objets d'une exposition indemnisée par l'INDEM ont-ils été endommagés ou perdus? Le cas échéant, une réclamation a-t-elle été présentée? Quelle était l'importance de la réclamation?				x					
	Your organization applied for support under INDEM, and didn't receive it. What impact did it have on your exhibit which still occurred? (e.g. revenues, # of visitors, # of memberships, # of volunteers)?	Votre organisme a demandé un soutien en vertu de l'INDEM qu'il n'a pas reçu. Quelle a été l'incidence sur votre exposition qui a quand même eu lieu? (par ex. recettes, nbre de visiteurs, nbre de membres, nbre de bénévoles)					x				
	To what extent would you say INDEM indemnification has impacted successful applicants' ability to leverage their institution's resources? Please explain	Dans quelle mesure, diriez-vous que l'indemnisation de l'INDEM a une incidence sur la capacité des demandeurs retenus à miser sur les ressources de leur institution? Veuillez expliquer.		x							
	Are you aware of any unintended or unexpected results, outcomes or impacts (positive or negative) that have resulted from INDEM indemnified exhibitions and related activities? Please explain.	Êtes-vous au courant de résultats ou retombées non délibérés ou imprévus (positifs ou négatifs) par suite d'expositions indemnisées par l'INDEM et d'activités connexes? Veuillez expliquer.	x	x							

Evaluation Issues / Questions	Interview Question - English	Interview Question -- French	Key Informants								
			PCH Senior Mgmt	Program Mgmt	CCI	Successful Applicants	Unsuccessful Applicants	Non-Users	Experts	Other similar prog.	PCH Legal Counsel
	What operational challenges (if any) has INDEM experienced since its inception (e.g., administrative, staffing, budgetary constraints, external pressures, etc.)? What has been the impact of these on the delivery and success of the program? What changes have been made or are required to the design and delivery of the Program to address these challenges?	À quels défis opérationnels (le cas échéant) l'INDEM a-t-il fait face depuis sa création (par ex. problèmes administratifs, dotation, restrictions budgétaires, pressions extérieures, etc.)? Quelle en a été l'incidence sur la prestation et le succès du programme? Quelles modifications ont été apportées ou sont requises pour la conception et la prestation du programme afin de relever ces défis?		x							
Performance: Efficiency and Economy											
Design	Does the program have sufficient reach (e.g. can a reasonable number of institutions qualify for support under the eligibility criteria)?	Ce programme a-t-il une portée suffisante (par ex. un nombre raisonnable d'institutions a-t-il droit au soutien en vertu des critères d'admissibilité)?		x		x	x	x			
	If there was one thing you could change in the design of INDEM, what would it be? Why would you make this change?	Si vous pouviez modifier un élément de la conception de l'INDEM, quel serait-il? Pourquoi apporteriez-vous cette modification?		x		x	x	x			

Evaluation Issues / Questions	Interview Question - English	Interview Question -- French	Key Informants									
			PCH Senior Mgmt	Program Mgmt	CCI	Successful Applicants	Unsuccessful Applicants	Non-Users	Experts	Other similar prog.	PCH Legal Counsel	
	Based on your own experience, are there opportunities to improve the Program delivery? Any suggestions on how to address those opportunities?	D'après votre propre expérience, y a-t-il des possibilités d'améliorer la prestation du programme? Avez-vous des suggestions sur la manière de tirer profit de ces possibilités?		x		x						
	Your institution has not sought support under INDEM over the past five years. Why not? What would have to change in it before you would consider applying?	Au cours des cinq dernières années, votre institution n'a pas demandé de soutien en vertu de l'INDEM. Pourquoi pas? Quelles modifications seraient nécessaires avant que vous envisagiez de présenter une demande?							x			
	How different is a facility assessment under INDEM versus what is required for an institution to become designated as a Category "A" institution under the Movable Cultural Property Program?	Dans quelle mesure, l'évaluation d'une installation est-elle différente en vertu de l'INDEM versus ce qui est exigé d'une institution pour qu'elle devienne une institution de catégorie A en vertu du Programme des biens culturels mobiliers?				x						
	For those institutions that apply at least every couple of years under INDEM, how much work is required for you to complete your assessment each time?	Pour les institutions qui présentent une demande au moins tous les deux ans en vertu de l'INDEM, quels efforts sont requis pour remplir votre évaluation à chaque fois?				x						

Evaluation Issues / Questions	Interview Question - English	Interview Question -- French	Key Informants								
			PCH Senior Mgmt	Program Mgmt	CCI	Successful Applicants	Unsuccessful Applicants	Non-Users	Experts	Other similar prog.	PCH Legal Counsel
	I understand that when INDEM first started, the \$1.5 billion cap in indemnification was interpreted as the amount of committed contingent liability at any point in time. What concerns lead to the change in interpretation so that it is now considered to be the total cumulative indemnification that can be provided in a year?	Il semble que lorsque l'INDEM a commencé, le plafond de 1,5 milliard de dollars d'indemnisation était interprété comme le passif éventuel disponible qui pourrait être en circulation à tout moment. Quelles préoccupations ont entraîné la modification de l'interprétation, de telle sorte que c'est maintenant considéré comme l'indemnisation totale cumulative qui peut être versée par an?		x							x
	The liability cap per year, per exhibit and per conveyance is prescribed by the Act. The Act explicitly indicates that these limits may be changed by an appropriation Act. Why from your perspective hasn't this mechanism been used to adjust limits that were established over ten years ago?	Le plafond annuel de la responsabilité, par exposition et par acte de transport, est prescrit par la Loi. La Loi stipule précisément qu'on peut modifier ces limites au moyen d'une Loi de crédits. Selon vous, pourquoi n'a-t-on pas utilisé ce mécanisme pour adapter des limites établies il y a plus de dix ans?	x	x							x
	Would you please describe for me the key elements of the support provided in your country for travelling exhibitions of heritage property?	Pourriez-vous me décrire les principaux éléments du soutien offert dans votre pays pour les expositions itinérantes de biens patrimoniaux?								x	

Evaluation Issues / Questions	Interview Question - English	Interview Question -- French	Key Informants								
			PCH Senior Mgmt	Program Mgmt	CCI	Successful Applicants	Unsuccessful Applicants	Non-Users	Experts	Other similar prog.	PCH Legal Counsel
	What changes have been made to your program over the past five years? <i>[If changes occurred,] what factors drove this change?</i>	Quelles modifications ont été apportées à votre programme au cours des cinq dernières années? <i>[S'il y a eu des modifications.] Quels facteurs ont motivé cette modification?</i>								x	
	Approximately how many exhibits a year receive support under your program?	Approximativement, combien d'expositions par an reçoivent un soutien dans votre programme?								x	
	What do you see as the key benefits of having this type of program for those who visit the exhibit? For the institution hosting the exhibit?	Que considérez-vous comme les principaux avantages d'avoir ce type de programme pour ceux qui visitent l'exposition? Pour l'institution organisant l'exposition?								x	
	What types of changes would institutions in your country like to have made to your program?	Quel type de modifications les institutions de votre pays aimeraient-elles apporter à votre programme?								x	
Duplication	Based on your knowledge, are there any other federal or provincial programs that either provide indemnification or insurance for objects borrowed for travelling exhibits? If yes, please describe the program and how it works.	Pour autant que vous sachiez, y a-t-il d'autres programmes fédéraux ou provinciaux qui versent une indemnisation ou une assurance pour les objets empruntés pour des expositions itinérantes? Le cas échéant, veuillez décrire le programme et son fonctionnement.		x		x	x		x		

Evaluation Issues / Questions	Interview Question - English	Interview Question -- French	Key Informants								
			PCH Senior Mgmt	Program Mgmt	CCI	Successful Applicants	Unsuccessful Applicants	Non-Users	Experts	Other similar prog.	PCH Legal Counsel
	Support for travelling exhibits is also available under the Museum Assistance Program. From your perspective what overlap is there between MAP and INDEM?	Un appui pour expositions itinérantes est également offert en vertu du Programme d'aide aux musées. Dans votre perspective, quel chevauchement y a-t-il entre le PAM et l'INDEM?	x	x		x	x	x			
	What would be the benefits in making INDEM part of MAP? What would be the limitations associated with such a change?	Quels seraient les avantages d'incorporer l'INDEM au PAM? Quelles seraient les limites associées à une telle modification?	x	x							
	What would be the benefits, if any, from your perspective if the same program officer was responsible for processing applications for support under INDEM and MAP? What would be the limitations associated with such a change?	Selon vous, quels seraient les avantages de confier au même agent de programme le traitement des demandes d'appui à INDEM et à PAM? Quelles seraient les contraintes reliées à un tel changement?				x	x	x			
	In your view, could (or should) certain aspects/activities of the INDEM Program be transferred to the provincial level, municipal level, private sector or non-profit sector? Please explain.	D'après vous, certains aspects ou certaines activités du programme de l'INDEM pourraient-ils (ou devraient-ils) être transférés au niveau provincial, au niveau municipal, au secteur privé ou au secteur sans but lucratif? Veuillez expliquer.	x	x		x	x	x			

Evaluation Issues / Questions	Interview Question - English	Interview Question -- French	Key Informants								
			PCH Senior Mgmt	Program Mgmt	CCI	Successful Applicants	Unsuccessful Applicants	Non-Users	Experts	Other similar prog.	PCH Legal Counsel
	In your opinion, are there other alternative approaches for providing Canadian heritage institutions with a competitive advantage when competing for the loan of prestigious international exhibitions? If yes: Please specify. What would be the benefits of these alternative approaches? Any limitations or challenges? Please explain.	Selon votre opinion, y a-t-il d'autres approches pour offrir un avantage compétitif aux institutions patrimoniales canadiennes dans le cadre de la concurrence pour le prêt d'expositions internationales prestigieuses? Le cas échéant, veuillez préciser. Quels seraient les avantages de ces autres approches? Y a-t-il des limitations ou des défis? Veuillez expliquer.	x	x							
	Is the cost of the program per outcome a good investment for Canadians? Please explain.	Le coût du programme par résultat est-il un bon investissement pour les Canadiens? Veuillez expliquer.	x	x							

Conclude by thanking the interviewee for their input. / Conclure en remerciant la personne de sa participation.

Appendix F - Program Performance Measures, 2006-2011²¹

	2006-07	2007-08	2008-09	2009-10	2010-11	Total
Domestic Exhibitions						
Exhibitions Indemnified	4	2	1	-	-	7
Number of Applicants that Received Indemnification	4	2	1	-	-	4 ²²
Number of Indemnification Agreements	54	3	1	-	-	58
Average # of Indemnification Agreements per Exhibit	13.5	1.5	1	-	-	
Value Indemnified	209,608,287	54,303,576	9,280,000	-	-	273,191,863
Total Value of Indemnified Objects	209,608,287	54,303,576	9,280,000	-	-	273,191,863
Locations Indemnified	13	7	4	-	-	24
Total # Venues Exhibit Shown At	17	7	4	-	-	28
Attendance	349,739 ²³	38,025 ²⁴	52,427	-	-	440,191
Average Attendance per Exhibit	87,435	38,025	52,427	-	-	73,365
Average Attendance per Location Indemnified	26,903	9,506	13,107	-	-	20,961
International Exhibitions						
Exhibitions Indemnified	7	4	4	4	8	27
Number of Applicants that Received Indemnification	6	4	3	4	6	12

²¹ The measures are reported in the year indemnification started. In many cases, the period for which indemnification was provided covered more than one fiscal year.

²² All of the organizations that received indemnification for a domestic exhibition also received indemnification for an international exhibit during the period April 1, 2006 to March 31, 2011.

²³ One domestic exhibit had a reported attendance of 242,721. This was the highest reported attendance of any exhibit during the period 2006 to 2011.

²⁴ Attendance figures were only available for one exhibit. Totals and averages calculated do not include the exhibits/locations for which attendance figures were not available.

	2006-07	2007-08	2008-09	2009-10	2010-11	Total
Number of Indemnification Agreements	74	37	133	87	67	398
Average # of Indemnification Agreements per Exhibit	10.6	9.3	33.3	21.8	8.4	16.7
Value Indemnified	337,086,419	760,369,278	920,144,836	806,842,003	784,733,709	3,609,176,245
Total Value of Indemnified Exhibitions	362,086,419	950,369,278	1,083,887,825	864,082,344	1,055,942,828	4,316,368,694
Locations Indemnified	7	4	4	4	8	27
Total # Venues Exhibit Shown At	7	4	4	4	10	29
Attendance	399,750	353,964 ²⁵	279,767	472,001	²⁶	1,505,482
Average Attendance per Exhibit	57,107	117,988	69,942	118,000		83,638
Average Attendance per Location Indemnified	57,107	117,988	69,942	118,000		83,638
Applications for Indemnification Not Approved²⁷						
Exhibitions for which indemnification was not provided	4	1	6	8	1	20
Number of Institutions which sought indemnification but were unsuccessful	3	1	5	7	1	10
Number of institutions for which indemnification was not approved for a specific reason:						
Not eligible under program criteria	2					2
Facilities did not meet requirements/ information on facility not complete	2	1				3
Information not complete/difficulty in gathering required information/ late application			2	3		5
Negotiations with lenders not complete/lender withdrew			2			2

²⁵ Attendance figures were missing for one exhibit. Totals and averages calculated do not include this exhibit.

²⁶ No attendance figures were available for 2010-11.

²⁷ The figures presented for applications for indemnification not approved do not include instances where no application was made because the institution was advised that the maximum ceiling for the year had already been reached.

	2006-07	2007-08	2008-09	2009-10	2010-11	Total
Limited indemnification provided which was declined by applicant			1			1
Opted for commercial insurance due to uncertainty about availability of indemnification			1			1
Indemnification unavailable because demand exceeded amount available				5	1	6
Value of Requested Indemnification Not Approved:						
Not eligible under program criteria	35,388,599					35,388,599
Facilities did not meet requirements/ information on facility not complete	453,044,860	63,624,584				516,669,444
Information not complete/difficulty in gathering required information/ late application			42,324,714	5,530,270 ²⁸		47,854,984
Negotiations with lenders not complete/lender withdrew			26,540,270			26,540,270
Limited indemnification provided which was declined by applicant			3,340,000			3,340,000
Opted for commercial insurance due to uncertainty about availability of indemnification			300,000,000			300,000,000
Indemnification unavailable because demand exceeded amount available				598,580,704	178,233,998	776,814,702

²⁸ No value of the amount of indemnification being sought was available for one exhibit.

Appendix G - Economic Impact of Indemnified Exhibitions²⁹ based on available impact studies of exhibitions that were not indemnified by the CTEIP

	Renoir, 1997, National Gallery of Canada	Barnes, 1999, Art Gallery of Ontario	Titanic, 2007, Royal British Columbia Museum	Da Vinci, 1998-99, Royal British Columbia Museum	Average Indemnified Exhibit Estimation	
Total Attendance	340,000	600,000	470,000		74,834 ³⁰	74,834
Out-of-town	68,000	150,000	126,000	342,400	14,967	18,709
Percentage of Out-of-town visitors	20.0%	25.0%	26.8%		20.0%	25.0%
Estimated increased federal tax revenues per exhibit	\$7,937,290	\$14,270,096	\$2,204,895	\$7,593,044	299,340 ³¹	2,151,535
Federal Tax revenues/out-of-town guest	\$116.72	\$95.13	\$17.50	\$22.18	\$20.00	\$115.00
Number of Exhibitions on average each year					6.8	6.8
Total Estimated Economic Impact					\$2,035,512	\$14,630,438

²⁹ Details for the exhibitions were obtained from the Literature Review prepared by the Policy Research Group. The average estimation of indemnified exhibit was calculated based on program performance data extracted from Appendix F.

³⁰ From Annex F, the total attendance at domestic (440,191) and international exhibitions (1,505,482) divided by the number of exhibits (26=27+7-8 (no attendance figures for 2010-11 so those exhibits were removed from the calculation) indemnified.

³¹ Calculated based on average attendance at an indemnified exhibit times the percentage of attendees who are from out of town, e.g., 74,834 x .2 = 14,967. 78,834 x .25 = 18,709

Appendix H - Comparison with Other Countries

	Canada	France	Netherlands	New Zealand	United States of America	United Kingdom
Coverage	<ul style="list-style-type: none"> • Indemnification provided for loans from owners regardless of where they are located • Risks of physical loss or damage excluding specific exclusions 			Objective is to make significant international touring cultural exhibitions available	<ul style="list-style-type: none"> • Indemnification provided for international and domestic loans • All risks of physical loss or damage including natural disasters and acts of terrorism 	Indemnification for objects borrowed from private lenders and non-national institutions for either a short or long term loan
Governance	Final decision made by the Minister of Canadian Heritage based on the Departmental recommendation	Special advisory panel established by the government with members appointed for 3-5 years	Netherlands Collection Institute (ICN) which falls under the State Secretary for Education, Culture and Science (ECS)	Minister of Finance makes the final decision on the recommendation of the Minister for Arts, Culture and Heritage	Administered by the National Endowment for the Arts	Administered by the Museums, Libraries and Archive Council on behalf of the government
Eligible Exhibitions	Exhibits that meet requirements with respect to security, transportation, environmental control and handling; educational and professional quality of the exhibit; significance and relevance to Canadians of the exhibition's theme and contents; and the extent of public access	Exhibits of significant national heritage or international prestige or which stimulate scientific research	Exhibition or object on loan must be of exceptional importance	Exhibitions of cultural property from overseas and/or New Zealand collections.	<ul style="list-style-type: none"> • exhibits of national interest • exhibits of artifacts, books, photographs, films, rare documents. 	

	Canada	France	Netherlands	New Zealand	United States of America	United Kingdom
Eligible Institutions	Museum, art gallery, archive or library that is publicly owned; operates for educational or cultural purposes; operates solely for the benefit of the public; and exhibits objects to the public.	National public institutions. The Réunion des musées nationaux can apply for non-national museums		New Zealand cultural institution	Individuals, non-profit, tax-exempt organizations and governmental units	Non national Museums, gallery or libraries to which the public has access
Minimum Amount Eligible to Apply	\$500,000	The total value of works not belonging to the State must be at least US\$65 million. In practice, the total value should not be less than US\$345.5 million.	N/A	Touring exhibitions need a minimum value of NZ\$2.5 million	N/A	
Maximum per fiscal year	\$1.5 billion	N/A	N/A	N/A	N/A	N/A
Maximum at any one time	Not applicable	N/A	\$414.5 million	US\$112.6 million (ad hoc increases to this limit have been made three times in the past five years)	US\$10 billion (international) US\$5 billion (domestic)	US\$4.9 billion
Maximum per Exhibition	\$450 million	N/A	N/A	N/A	US\$1.2 billion	N/A
Maximum per conveyance	\$100 million	N/A	N/A	US\$37.5 million	US\$80 million	US\$242 million
Deductible Amounts	Deductible ranges from \$30,000 to \$500,000 depending on the fair market value of the exhibit	Minimum deductible of US\$63.57 million Maximum deductible of US\$138.2 million		Sliding scale from US\$37,506 to US\$374,870 depending on the exhibition's value	International--from US\$10,000 to US\$500,000 Domestic--from US\$50,000 to US\$500,000	US\$490 plus 1% of the value of the object if valued at US\$6,500 or more
Claims	No claims	No claims over the period 1999 to 2009	One claim for US\$8,290	N/A	Two totaling less than US\$105,000 that occurred prior to 1995	No claims over the period 1999 to 2009