



Canadian  
Heritage

Patrimoine  
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Canada



## **Grouped Arts Evaluation: Canada Arts Presentation Fund (CAPF), Canada Cultural Spaces Fund (CCSF), Canada Cultural Investment Fund (CCIF)**

**Office of the Chief Audit and Evaluation Executive  
Evaluation Services Directorate  
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## List of acronyms and abbreviations

ACOA	Atlantic Canada Opportunities Agency
BCAH	Building Communities through Arts and Heritage
CAHSP	Canadian Arts and Heritage Sustainability Program
CAPF	Canada Arts Presentation Fund
CBC	Canadian Broadcast Corporation
CCA	Canada Council for the Arts
CCIF	Canada Cultural Investment Fund
CCSF	Canada Cultural Spaces Fund
CIC	Citizenship and Immigration Canada
CSA	Culture Satellite Account
EI	Endowment Incentives
ESD	Evaluation Services Directorate
ESDC	Employment and Social Development Canada
FEDNOR	Federal Economic Development Initiative in Northern Ontario
GCIMS	Grants and Contributions Information Management System
GCMi	Grants and Contributions Modernization Initiative
GDP	Gross Domestic Product
HR	Human Resources
PCH	Patrimoine canadien/Canadian Heritage
PMS	Performance Measurement Strategy
PRG	Policy Research Group
PSO	Presenter Support Organizations
RIS	Regional Investment Strategies
SI	Strategic Initiatives
TB	Treasury Board
WD	Western Economic Diversification Canada

# Executive Summary

## Background

A grouped evaluation was conducted for three Canadian Heritage (PCH) Programs included in the Arts Policy Branch: the Canada Arts Presentation Fund (CAPF), Canada Cultural Spaces Fund (CCSF), and Canada Cultural Investment Fund (CCIF). These programs aim to improve Canadians' access to varied artistic and heritage experiences and to contribute to the resilience of the Canadian arts and heritage sectors. This is accomplished through funding programs that support the presentation of professional arts festivals and performing arts series, the improvement of arts and heritage infrastructure, and the enhancement of revenue diversification and business practices and partnership development in arts and heritage organizations.

A grouped approach was taken in order to increase cost-effectiveness of the evaluation study while ensuring a comprehensive and reliable base of evaluation evidence as per the Treasury Board Policy on Evaluation. The three programs were identified as candidates for grouping after a thorough analysis confirmed that results of the programs are complementary, stakeholders and beneficiaries are similar, and programs have similar ultimate outcomes.

## Evaluation Objective and Methodology

The grouped evaluation was conducted to support departmental decision-making, particularly surrounding the renewal process of the programs' Terms and Conditions. As specified by Treasury Board Secretariat of Canada's Directive on the Evaluation Policy (2009), the five core issues addressed in this evaluation were: relevance, including continued need for the programs, alignment with government priorities, and alignment with federal roles and responsibilities; and performance, including effectiveness, efficiency and economy.

The evaluation covers the years 2007-2008 to 2012-2013. During that period, there were no substantial changes made to CAPF or CCSF. The CCIF underwent a substantial transformation, where specific program components were cancelled and a new component introduced during the period evaluated. The evaluation provides only minimal information on the components cancelled during the evaluation period.

Multiple lines of evidence were used to conduct the evaluation including:

- Comprehensive literature review, including environmental scan of other programs;
- Comprehensive document review;
- An administrative data review of two main data sources for the programs: GCIMS (Grants and Contributions Information Management System) and Programs' internal tracking systems;

- In-depth interviews with 44 key informants familiar with the programs including program representatives, funded and unfunded organizations, other government representatives;
- Survey of 376 funded applicants and 95 unfunded applicants;
- Consultation with an expert panel to obtain supplementary in-depth information on perceptions, trends, results and impacts of the suite of programs and the extent to which there is a continued need for support. A total of eight experts participated in the panel which consisted of a mix of academics, directors of arts organizations, consultants and artists; and,
- Case studies of 6 organizations that received funding in the past.

## **Limitations**

The limitations of the evaluation include the variable quality and reliability of some project reporting data, the limited number of unfunded recipients that have responded to the survey which limits the conduct of systematic comparisons between funded and unfunded applicants; and possible respondent bias. Additionally, isolating and attributing impacts to each program as well as jointly for the suite of programs, is not fully possible.

## **Evaluation Findings**

The major findings for each of the evaluation issues are as follows.

## **Relevance**

### ***Continuing Need***

There is a continuing need for ongoing federal government support to the arts and heritage sector through programs such as CAPF, CCSF and CCIF which help ensure that all Canadians have access to and benefit from arts and heritage experiences. Factors such as aging infrastructure and the need for innovative arts spaces, the digital revolution, the economic downturn and changing demographics contribute to the need for federal government support to ensure that arts and culture remain accessible, relevant, and sustainable. While the three programs are responsive to most needs of arts and cultural organizations, providing funding that supports programming and infrastructure and strengthens economic resiliency, the level of funding available requires the programs to regularly make difficult case-by-case decisions on applications. These decisions are becoming increasingly complex as the arts and culture sector becomes more and more diverse. Achieving an appropriate balance between funding organizations which have a good record in reaching audiences and, supporting new, innovative and emerging needs for programming and spaces is an ongoing process.

All three levels of government in Canada provide support to the arts and culture sector through programming designed to meet their respective policy objectives. While elements of the three programs under evaluation share some similarities with other PCH and Canada Council for the Arts programs, numerous steps and strategies have been taken to minimize the potential for overlap or duplication. There are opportunities to strengthen collaboration and facilitate greater standardization in application and reporting processes

and greater sharing of information, particularly in the area of collecting and sharing common financial and statistical data on organizations that apply for funding from the programs.

### ***Alignment with Federal Government Priorities and Departmental Objectives and Priorities***

All three programs are aligned with federal government priorities to support Canada's economy and quality of life through arts and culture. The programs are also aligned with the PCH strategic outcome: "Canadian artistic expressions and cultural content are created and accessible at home and abroad" as well as PCH's strategic priorities.

### ***Alignment with Federal Government Roles and Responsibilities***

Ensuring that all Canadians have continued access to arts and heritage experiences is an appropriate role and responsibility for the federal government. Jurisdictional responsibility for arts and culture was not defined in the Constitution Act, 1867 and has, therefore, been shared between all levels of government. The role and responsibility of the federal government in supporting arts and culture has been reaffirmed in recent decades with the growing understanding of the economic contributions of the arts and cultural industries and their important role in the creative economy of the country.

## **Performance**

### ***Achievement of the Expected Outcomes***

The evaluation focused on the period from 2007/08 to 2012/13. During this time period, the three programs have been effective in achieving their intended outcomes:

- The CAPF enabled a large number of arts presenters to reach a wide range of communities and audiences, expose communities to various professional artistic experiences, strengthen their linkages in the community, and further develop their professional skills. On average, nearly 600 projects were funded annually across a wide range of disciplines, communities and groups, including underserved populations. About 65% of communities reached with CAPF programming component and 28% of communities reached with development component were rural and remote. The arts discipline most commonly associated with projects funded under both the Programming and Development Components over the evaluation period was music, followed by dance and theatre. Other disciplines funded regularly over the years included visual arts, literature, and media art. On average, the funding recipients reported presenting about 25,000 artists annually, of which over one third were from another region in Canada or outside of Canada. The funding contributed to increases in the number of volunteers engaged in arts and culture activities, the development of new partnerships, and the delivery of thousands of outreach and public engagement activities. Presenter Support Organizations (PSO) delivered over 5,000 professional development activities over the five years, which helped strengthen the efficiency and professionalism of the arts presenting community. The evaluation found there is a need to review the information, application and reporting CAPF requirements

as these were found to be onerous, particularly when only small amounts of funding are provided. This may act as a barrier to access for new or emerging organizations.

- The CCSF has contributed to new and improved arts and heritage facilities and infrastructure across a variety of disciplines and range of communities. An average of 97 projects were funded per year, which resulted in improved access to, and quality of, a variety of arts and heritage experiences for Canadians. About half of the 63 communities that receive CCSF funding in an average year are rural or remote. The regional presence of PCH contributes to the success of the program by facilitating understanding of local needs and demands as well as the development of close collaborations with regional partners. The program is highly competitive, with only about 50% of project applications approved in any given year. This strong level of competition can make it difficult for new or emerging organizations as well as innovative, non-traditional, emerging types of spaces and possibly riskier projects to receive funding. The evidence suggests that the criteria used to define “cultural space” and “professional arts and heritage organization” needs to be reviewed to reflect the evolving nature of the arts and heritage sector.
- The current components of CCIF contributed to more effective management and business practices of arts and heritage organizations. The Strategic Initiatives component (new as of 2010-11) has supported a collective approach that assists arts and heritage organizations improve their business operations, help them make strategic use of new technologies and diversify revenues. Between 2010-11 and 2011-12, the 25 projects that were funded through this component resulted in over 170 partnerships and shared resources and benefited over 5,000 organizations working in the arts and heritage sector. After only two years in operation, it is too early to determine the longer term impact of the Strategic Initiatives component with regards to improving the sustainability and resilience of arts and heritage organizations although the evaluation did find some initial examples of success. As a result of the Endowment Incentives component, private sector donors invested \$1.50 for every dollar invested by the federal government, creating more than \$207 million in endowment funds, between 2007-08 and 2011-12. The Endowment Incentives component has had a significant incremental impact on the capital held by the arts sector and, therefore, its stability. Other components of CCIF have helped to sustain cultural activities at the local level and assisted a few organizations to avoid bankruptcy. These components have encouraged community engagement and support for arts and heritage organizations and contributed to more stable and resilient arts and heritage organizations.

The evaluation findings demonstrate the collective impact of the programs on the resiliency and sustainability of arts and heritage organizations, community engagement, and the economy. The assistance provided by CAPF, CCSF and CCIF funding has also increased the capacity of arts and heritage organizations to offer arts and heritage experiences to underserved groups and language minority communities. The funding provided by the programs is incremental in that most funded projects would not have



proceeded, at least with the same scope and timing, without the support provided by PCH.

### ***Demonstration of Efficiency and Economy***

The combined administrative cost of the three programs, as a percent of the total budget, declined from 16% at the time of the previous evaluation to an average of 9%. Average administrative costs per application and project vary across the programs, influenced by factors such as the level of demand relative to projects funded, type, size and complexity of the projects, and processing and decision-making structures. There may be opportunities to further improve efficiency and economy as well as reduce application processing times. Many clients expressed dissatisfaction with the overall decision times and the administrative data review confirmed that the application processing times tend to be long and in the case of CAPF and CCSF specialized equipment and feasibility studies applications, exceed the published service standards for funding decision timelines. The CCSF and Strategic Initiatives components have application processes that involve two decision-making layers. In the case of CCSF, applications are processed regionally and recommendations are then reviewed nationally. For the Strategic Initiatives component of CCIF, applicants are required to submit a letter of intent which is assessed. Applicants selected are then invited to submit a full application. This two-step assessment and recommendation process contributes to longer decision times.

### **Conclusion**

The evaluation evidence confirms that there is a continued need for federal support to arts and heritage sectors provided through CAPF, CCSF and CCIF. The programs remain relevant and are aligned with both federal and departmental objectives and priorities. Together, the programs have been responsive to most needs for funding and support required by arts and heritage organizations participating in the programs. Achieving an appropriate balance between funding organizations which have a good record in reaching audiences and, supporting new, innovative and emerging needs for programming and spaces is an ongoing process.

The programs reach their intended outcomes. The programs have had collective impact on the resiliency and sustainability of arts and heritage organizations, community engagement, and the economy. They have also increased the capacity of arts and heritage organizations to offer arts and heritage experiences to underserved groups and, to various degrees, to the language minority communities. The funding provided by the programs is incremental in that most funded projects would not have proceeded, at least with the same scope and timing, without the support provided by PCH. The efficiency of the programs has improved since last evaluation. There may be opportunities to improve application processing times, creating the potential for reducing decision times and achieving later improvements in efficiency.

## **Recommendations**

- 1. To respond to emerging needs, CAPF should look for opportunities to reallocate resources to optimize the impact of funding and ensure that new organizations as well as applicants in priority areas have fair access to program funding.**
- 2. CCSF should ensure that the program requirements do not present unintended barriers to access for some organizations. More specifically:**
  - i. In order to be better prepared to fulfil the emerging needs, CCSF should proactively review the criteria used to define “cultural space” and “professional arts and heritage organizations” to reflect the evolving nature of the arts and heritage sector.
- 3. All three programs should explore opportunities to reduce the time required to process files, from the reception of applications to the communication of funding decision, and to streamline the application process and reporting requirements, particularly for lower risk clients. More specifically:**
  - i. CAPF should ensure that the reporting requirements placed on organizations are proportionate to the amount of funding provided and level of risk. Additionally, CAPF should make efforts to reduce the application processing time in order to meet established service standard timelines.
  - ii. CCSF should make efforts to reduce timelines inherent in the two-step assessment and recommendation process, particularly for lower-risk applications.
  - iii. CCIF should make efforts to reduce the timelines inherent in the two-step application process to the Strategic Initiatives component.

# 1. Introduction and Context

A grouped evaluation was conducted for three Canadian Heritage (PCH) Programs included in the Arts Policy Branch: the Canada Arts Presentation Fund (CAPF), Canada Cultural Spaces Fund (CCSF), and Canada Cultural Investment Fund (CCIF). These programs aim to improve Canadians' access to varied artistic and heritage experiences and to contribute to the resilience of the Canadian arts and heritage sectors. This is accomplished through funding programs that support the presentation of professional arts festivals and performing arts series, the improvement of arts and heritage infrastructure, and the enhancement of business practices and partnership development in arts and heritage organizations.

This section briefly describes the three Programs that are being evaluated. It explains the context of the grouped evaluation and summarizes the objectives and related issues. It also explains how this report is structured.

## 1.1 Overview of the Programs

### ***Canada Arts Presentation Fund (CAPF)***

The CAPF was created in 2001 to give Canadians access to a variety of professional artistic experiences in their communities. The federal government's principal vehicle for supporting arts-oriented festivals and series, the program has been renewed through 2014-15. The program aims to fulfill its objectives by providing grants and contributions to Canadian not-for-profit organizations that present or support, in a professional manner, arts festivals, performing arts series and other artistic experiences. CAPF has two components:

- The Programming Support component aims to enable presenters to offer a variety of professional artistic experiences to Canadians, and to enable arts presenters and Presenter Support Organizations (PSO) to provide relevant professional development opportunities for the CAPF presenter community.
- The Development Support component aims to increase the abilities of presenters who encounter barriers in trying to serve client groups, locations and/or disciplines or genres identified as underserved.

There were no substantial changes made to the program since the last evaluation. Two recommendations to review the logic model and improve efficiency were accepted by management and implemented.

For the period of 2007-08 to 2012-13, the CAPF total expenditures were \$187,138,422. During this period, a total of 139 applications were approved under the Development Support Component and 2,928 applications were approved under the Programming Support component (includes both single year and multi-year applications).

### ***Canada Cultural Spaces Fund (CCSF)***

The CCSF was launched in 2001 to increase and improve access for Canadians to the performing arts, the visual and media arts, museum collections and heritage displays. The program is dedicated to supporting cultural infrastructure projects, and has been renewed through 2014-15. The program aims to fulfill its objectives by providing grants and contributions for construction/renovation projects, specialized equipment purchases and feasibility studies for professional, not-for-profit, arts and heritage organizations, provincial, territorial and municipal governments and their agencies or equivalent Aboriginal institutions and organizations which support professional arts and heritage activities in their communities.

There were no substantial changes made to the program since the last evaluation. The one recommendation to more clearly articulate incremental impacts of the program was accepted and implemented by the program.

For the period of 2007-08 to 2012-13, the total expenditures for CCSF were \$204,519,922. A total of 386 construction and renovation projects, 2 live site projects, and 152 specialized equipment and feasibility studies were funded.<sup>1</sup>

### ***Canada Cultural Investment Fund (CCIF)***

The CCIF was created to help arts and heritage organizations build and diversify their revenue streams, strengthen their business skills and competencies and become better rooted in their communities. It has been renewed through 2014-15. The program changed significantly since its last evaluation; its objectives were refined, some components were closed out, and a new component – Strategic Initiatives (SI) – was developed to enhance the long-term organizational administrative and financial resilience of arts and heritage organizations. It was also renamed CCIF in place of the Canadian Arts and Heritage Sustainability Program (CAHSP).

CCIF has four components, three of which continued from the program's incarnation as CAHSP.

1. The Strategic Initiatives component (new as of 2010-11) provides support to projects that involve multiple partners and that will contribute to strengthen their management abilities, make strategic use of new technologies and diversify the revenues of Canadian arts and heritage organizations.
2. The Endowment Incentives (EI) component (continuing) provides funding to match private sector funds raised and deposited in endowment funds of professional, not-for-profit arts organizations.
3. The Limited Support to Endangered Arts Organizations component (continuing) allows the federal government, in rare situations, to partner with other levels of government and the private sector to help an arts organization move from the brink of bankruptcy to sustainability if they have an appropriate business strategy.

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<sup>1</sup> The numbers are based on Fiscal Year of Application rather than year of approval.

4. The Cultural Capitals of Canada component (cancelled as of 2012-13), launched in 2002, aimed to recognize and support Canadian communities that fostered arts and culture in community life through the designation of Cultural Capitals each year between 2003 and 2012. The cancellation of this component was announced in Budget 2012. The last year of funding was 2012-13.

For the period of 2007-08 to 2012-13, the total expenditures for CCIF (CAHSP prior to 2010-11) were \$156,535,448. The evaluation provided analysis of some results obtained from the last three years of the now discontinued CAHSP components; although assessment of these is limited. For more details on the cancelled CAHSP components please see Appendix A.

### ***Program Management and Delivery***

The programs are overseen by the Arts Policy Branch at PCH Headquarters. The Arts Policy Branch is responsible for the development and distribution of learning/information/ support materials, program guidelines as well as application forms, and management of the overall budgets of the three programs. It ensures coordination between PCH, its portfolio agencies and other partners that support the arts and heritage sectors. PCH's Grants and Contributions Centre of Expertise and the Financial Management Branch are also involved in the development and management of administrative procedures, due diligence, and data collection related to the delivery of grants and contributions.

The PCH Regional Offices have primary responsibility for the delivery of administration of funding for CAPF and CCSF, while the headquarters units are primarily responsible for national oversight. CCIF is delivered at PCH Headquarters. CCIF works with the Heritage Policy and Programs Directorate (Citizenship and Heritage Sector of PCH) to deliver the Strategic Initiatives component.

## **1.2 Evaluation Context, Objectives and Issues**

The programs were previously subjected to individual summative evaluations that covered the issues of relevance, success and cost-effectiveness. The evaluations were all conducted under the 2001 *Policy on Evaluation* of the Treasury Board Secretariat (TBS). Following the Internal Services Review conducted in 2010, PCH is moving towards conducting grouped evaluations for the purpose of increasing the cost-effectiveness of evaluation studies while ensuring a comprehensive and reliable base of evaluation evidence. The three programs were identified as candidates for grouping after a thorough analysis confirmed that results of the programs are complementary, stakeholders and beneficiaries are similar, and programs have similar ultimate outcomes. In the planning phase of the evaluation, a joint logic model was developed based on the individual logic model of all three programs (see Appendix B) to bring major themes together into a single logic model. The evaluation focused on the five core issues, as required by the 2009 TBS Directive on the Evaluation Function.

### **Relevance**

- Issue #1: Continued Need for the Program;
- Issue #2: Alignment with Government Priorities;
- Issue #3: Alignment with Federal Roles and Responsibilities;

### **Performance (effectiveness, efficiency and economy)**

- Issue #4: Achievement of Expected Outcomes; and,
- Issue #5: Demonstration of Efficiency and Economy.

Within this grouped evaluation, the three evaluation issues relating to relevance were assessed jointly for the suite of programs. Program results in achieving their immediate and intermediate expected outcomes were reviewed individually, while the long term expected outcomes of the investment was assessed jointly for all three programs. During the evaluation period, no substantial changes were made to CAPF and CCSF; however CCIF underwent substantial transformation. The evaluation provides only minimal information on the CCIF components cancelled.

The evaluation findings will be used to support departmental decision-making, particularly surrounding the renewal process of the terms and conditions of the three programs, which expire in March 2015. The evaluation covers the six-year period from 2007-08 to 2012-13. For the list of evaluation questions and issues please see Appendix C.

## **1.3 Report Structure**

In the chapters that follow, the report explains how the evaluation was carried out, summarizes findings for each key evaluation issue—i.e. relevance and performance (effectiveness and efficiency/economy) — and outlines the conclusions, as well as recommendations for the programs. Supporting information is supplied in appendices found at the end of the report. For the ease of reporting, data in this document was presented in the following fashion:

- Where discussed collectively, CAPF, CCSF and CCIF were referred to as ‘the three programs under evaluation’;
- While the evaluation covers the six-year period of 2007-08 to 2012-13, the analyses of administrative results data are only based on the period of 2007-08 to 2011-12 as 2012-13 results were not available at the time of the evaluation. When referring to the administrative data results, the report mentions “the 5 years under evaluation”, unless otherwise stated. Because of the variations in the number of key informants responding to a particular question (see limitations), the quantifiers used to report the number of key informants providing similar answers are as follows:

**Table 1. Number of Key Informants Providing Similar Answers**

<b>Quantifiers</b>	<b>Key Informants (out of maximum of 40 respondents)</b>
Few	▪ Less than 5 respondents
Some	▪ Between 5 and 9 respondents
Many	▪ Between 10 and 19 respondents
Most	▪ 20 or more respondents

## **2. Methodology**

The evaluation was conducted by the Evaluation Services Directorate (ESD) at PCH, with contributions from the PCH Policy Research Group (PRG) and external consultants. Multiple lines of evidence were used to increase the reliability and robustness of the findings. The overall approach to the evaluation took into consideration the results of a calibration exercise conducted by the ESD designed to adjust the level of effort commensurate with the assessed level of risk associated with each of the five issues identified in the TBS Policy on Evaluation. The evaluation calibration took into account current constraints on the conduct of original public opinion research. As a result of the calibration exercise, the evaluation reduced the number of interviews by selecting key informants based on their knowledge of more than one of the programs. Furthermore, the relevance issue and a common long term outcome were assessed jointly for the three programs under evaluation.

### **2.1 Lines of Inquiry**

Lines of evidence were comprised of primary data sources including an expert panel, key informant interviews and an online survey of program beneficiaries and unsuccessful applicants; and secondary data sources including a literature review, a document review, and an administrative data review (program databases). In addition, case studies of six funded projects/organizations were completed. The following paragraphs provide a description of the methodology employed for each line of evidence.

- 1. A literature review and program scan** was undertaken by the Policy Research Group (PRG) on behalf of the Evaluation Services Directorate (ESD) at Canadian Heritage. The literature review involved two components: 1) a review of academic papers and other sources including published reports, articles, periodicals, and websites documenting the current context for the arts and heritage sectors; and 2) a scan of other, relevant programs including other national programs identified because of their direct or indirect relevance to the type of activities CAPF, CCSF, and CCIF clients perform.

For a full list of sources included in the report, please see Appendix F.

2. **A document review** was conducted to assess the relevance and performance of the CAPF, CCSF and CCIF. A large number of documents were reviewed including program budgets, expenditures, Departmental Performance Reports, Reports on Plans and Priorities, previous evaluation reports, key research studies and other documents (Throne Speeches, Federal budgets, Treasury Board Submissions, PCH Minister’s speeches, PCH website, etc.).
  3. **An administrative data review** was conducted between January and March 2013.<sup>2</sup> The data came from two main sources: GCIMS (Grants and Contributions Information Management System, a department-wide system used to effectively manage and track grants and contributions for all PCH funding programs)<sup>3</sup> and Programs’ internal tracking systems, where results of funded projects are tracked through reports provided by funded organizations.
  4. **An expert panel** was consulted to obtain supplementary in-depth information on perceptions, trends, results and impacts of the suite of programs and the extent to which there is a continued need for support. A total of eight experts participated in the panel which consisted of a mix of academics, directors of arts organizations, consultants and artists. All panelists were interviewed in one video conference session, with the exception of one participant who was interviewed separately due to scheduling issues.
  5. **Interviews with 44 key informants** were completed by the PCH ESD. In total, 44 key informants participated in the interviews including:
    - Current and former CAPF, CCIF, and CCSF Program staff/management
    - CAPF, CCIF, and CCSF Program funded organizations/applicants (including Presenter Support Organizations)
    - CAPF, CCIF, and CCSF Program unfunded organizations/applicants
    - Other federal government departments
    - Other governments (provincial and municipal)
- Key informants were selected based on their familiarity with at least one of the programs (approximately 15 per program), regional and linguistic balance, and representativeness of the stakeholder groups (e.g., representatives from other governments, beneficiaries, and unsuccessful applicants).
6. **Survey of 376 funded and 95 unfunded applicants** was conducted by the PRG Public Opinion Research Unit at PCH on behalf of the ESD, using the online survey software FluidSurveys. The surveys were open from the period of April 23 to May 8, 2013 for funded, and May 29 to June 15, 2013 for unfunded

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<sup>2</sup> Results for the final year were not available as the deadline for submitting final project reports for some projects fell outside the data collection phase of the evaluation. Number of applications, funding amounts requested and funding awarded data for the last fiscal year was, however, available.

<sup>3</sup> Retrieved from: [http://www.pch.gc.ca/pgm/em-cr/assurnc/2009/2009-02\\_1/106-eng.cfm](http://www.pch.gc.ca/pgm/em-cr/assurnc/2009/2009-02_1/106-eng.cfm).



organizations. The invitations were sent to both groups who participated in the programs (applied for funding) between April 2008 and March 2012:

- An e-mail invitation was sent to 928 arts and heritage organizations that received funding from one or more of the three programs. A total of 376 organizations responded to the survey for a response rate of 40.5%.
- An e-mail invitation was sent to 374 arts and heritage organizations that applied for, but did not receive funding. A total of 95 organizations responded to the survey for a response rate of 25.4%.

**7. Case Studies of 6 organizations** were conducted between October 2012 and April 2013.<sup>4</sup> Case study organizations were selected by the ESD based on representativeness across regions, size and type of project, source of funding and target audience (i.e. Aboriginal, official language minority, remote or isolated, multicultural, etc.), and based on priority (relevance, representativeness, feedback from regional offices, etc.). A consultant team completed the case studies on behalf of ESD, by employing the following two lines of evidence:

- A file and document review. Applications, recommendations for approval, final reports, administrative data and other relevant documents were reviewed at PCH offices, usually prior to the interviews to provide project context. Consultants collected information on objectives of the funded projects, outputs and outcomes (economic, social, cultural, etc.), revenues, audience attendance, use of funding, etc. If required, project contacts were asked for any additional documents that could be relevant.
- Key informants interviews. A total of 14 telephone interviews were conducted with Project Coordinators and/or project financial officers, representatives of the community/organization benefitting from the project, and organization presidents, CEOs, board members, etc. The interviews were used to obtain additional information about the projects as well as clarify any inconsistencies in the information provided.

The report presents findings from various individual lines of evidence used to conduct the evaluation. Major findings and conclusions in the report are based on the triangulation of different lines of evidence.

## **2.2 Constraints and Limitations of the Evaluation**

The three programs evaluated are interconnected with other federal arts programs, Official Languages programs, Heritage programs, and programs from the Canada Council for the Arts (CCA), provinces, territories, municipalities, the voluntary sector, regional development organizations and foundations. Isolating and attributing impacts to each program as well as jointly for the suite of programs, is not fully possible.

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<sup>4</sup> Results for the final year were not available as most final reports were not due in time to be used during the data collection phase of the evaluation.

While heritage organizations are eligible for some components of these programs (CCSF and the Strategic Initiatives component of CCIF) administered by Arts Policy Branch to address their infrastructure or business skills improvement needs, overall, the larger needs and priorities of heritage organizations are addressed by other PCH programs. Although the emphasis for this evaluation was therefore on the arts sector, 80 heritage funded and unfunded organizations were surveyed, and 4 interviewed.

Limitations associated with other lines of evidence include:

- Some project reporting data is of variable quality and reliability. The information and data about programs' activities and clients are collected in two main program data systems: GCIMS (Grants and Contributions Information Management System contains data on grants and contributions including receipt, assessment, recommendations of applications, and amounts requested/awarded) and the Programs' own internal tracking which collects information about clients from the final reports submitted by the funded organizations. The data extracted from the final reports has limitations: final reports are not due until after the fiscal year-end of the client organizations, creating gaps in data; not all organizations submit their annual reports on time; some reports have incomplete information or include data that is not consistently reported; the data in the reports are often estimates provided by organizations, resulting in variations across the years which make it difficult to analyse trends; and categorizations of the communities served under CAPF had been until recently done by organizations.<sup>5</sup> To address these limitations the evaluation reported annual averages for most outcomes, and reported data that were supported by finding from other lines of evidence;
- The limited number of unfunded recipients that responded to the survey which reduced our ability to conduct systematic comparisons between funded and unfunded applicants; and,
- The semi-structured, open-ended nature of the interview guide and varying levels of familiarity with specific program across key informant groups which resulted in uneven response rates for any particular question. To address this, we only presented information provided by a sufficient number of respondents, and if substantiated by other lines of evidence.

As with any evaluation of this type, there is a possibility of respondent bias. Some groups participating in the evaluation have a vested interest in the programs and may be biased in their opinions. This challenge was mitigated by the use of a multi-method approach to generate evidence on the evaluation questions from more than one line of enquiry and from different (internal and external) perspectives.

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<sup>5</sup> CAPF has changed its reporting methodology from a system of recipient self-identification to one of program officers classification in 2011-12,

## 3. Key Findings

This chapter summarizes the major evaluation findings as they relate to the relevance and performance (effectiveness, efficiency and economy) of the CAPF, CCSF, and CCIF. All major findings are supported by triangulated evidence that was collected through the several lines of enquiry, as described in Section 2.1.

### 3.1 Relevance

#### 3.1.1 *Continued Need for the Programs*

The evaluation findings illustrate that there is a continuing need for public investment in the arts and cultural sector. This section discusses the benefits of arts and culture for Canadians, factors that contribute to the on-going need for federal government investment, and the responsiveness of the programs to both emerging and on-going needs of the arts and cultural sector.

***Arts and heritage experiences benefit Canadians in many ways including, amongst others, by improving their quality of life and contributing to social cohesion, community development, and Canada's economic development.***

The literature and documents reviewed provide evidence that access to a variety of professional arts and heritage experiences offered through a resilient and strong arts and heritage sector generates benefits for individuals, communities and the nation, and is a worthy investment for government. Some of the benefits afforded by arts and cultural programs and organizations include:

- ***Quality of life*** - Canadians believe that arts and cultural activities enrich their lives. In a 2012 survey, two-thirds (66%) of the Canadians surveyed reported that arts and cultural events are important or very important to the quality of life for themselves and their families.<sup>6</sup> Moreover, research demonstrates that strong connections exist between cultural and artistic participation and eight indicators<sup>7</sup> of health and well-being. Participation in cultural activities (such as gallery attendance, music attendance and reading) is associated with better health, increased volunteering, and greater life satisfaction.<sup>8</sup> In addition, the *Value of Presenting* study on performing arts in Canada determined that Canadians attending performing arts events gain emotional benefits, spiritual and intellectual stimulation, and opportunities to learn and experience something new.<sup>9</sup>
- ***Social cohesion and community participation*** - The vast majority of surveyed Canadians (92%) believe that arts and culture make a community a better place to

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6 *Phoenix Strategic Perspectives Inc.* Arts and Heritage in Canada: Access and Availability Survey 2012. (Prepared for the Department of Canadian Heritage). 2012. pg. 15.

7 Eight indicators are as follows: 1) self-reported health; 2) self-reported mental health; 3) volunteering; 4) feeling trapped in a daily routine; 5) stress level; 6) knowledge of neighbors; 7) doing a favor for a neighbor; 8) self-reported satisfaction with life.

8 Hill Strategies, *The Arts and Individual Wellbeing in Canada: Connections between Cultural Activities and Health, Volunteering, Satisfaction with Life and Other Social Indicators* in 2010.

9 Petri, Inga, *The Value of Presenting: A Study of Performing Arts Presentation in Canada*, Canadian Arts Presenting Association (CAPACOA) and Strategic Moves, 2013.

live, and that artistic experiences are a valuable way of bringing together people from different linguistic backgrounds and cultural traditions. The same survey shows that a large majority of Canadians feel that arts and culture help them express and define what it means to be Canadian (87%) and that, arts and heritage experiences help them feel part of the local community (77%). Local access to art and culture is also deemed to be important (67% consider it important to have arts and culture within a 45 minute travel time).<sup>10</sup> Cultural infrastructure provides opportunities for diverse groups to share their cultural heritage with their community<sup>11</sup>, and arts projects in community settings create significant benefits for artists, participants, and communities. Similarly, a report published by the Creative City Network of Canada suggests that the arts, as one of the primary means of public dialogue, help Canadian communities to discuss, express and raise awareness of important and difficult issues facing communities which facilitates learning within and between communities and provide important opportunities for intercultural learning, conflict resolution and resilience.<sup>12</sup> In addition, the arts help to engage underrepresented and hard-to-reach populations, encourage community involvement, and strengthen community leadership and capacity. Arts and cultural events can also improve the perception of a community and its people; The Arts Council in England (2004) calculated that more than 64% of festival attendees in the UK were more positive about a location which they had visited for a festival than one which did not host a festival.

- ***Economic benefits*** - Arts and culture are important generators of economic activity and can be a valuable tool in diversifying the local economy. According to Duxbury (2008), culture is a growing economic sector which plays an important role in attracting tourists, investment, and skilled workers. While this is true for larger cities, smaller, rural communities also view cultural infrastructure as a means to reinvent themselves as a tourist destination and stimulate the local economy.<sup>13</sup> In 2009 arts and culture activities accounted for more than 630,000 jobs, and contributed \$49.9 billion or about 3.5% to Gross Domestic Product (GDP). An analysis of the PCH arts programs has found that, for every dollar invested by their programs over the last five years, an average of \$8.50 is directly spent in the Canadian economy.<sup>14</sup> Arts and cultural experiences make a valuable contribution to the Canadian economy through tourism. For example, in Ontario, arts and culture generated 9.5 million overnight visitors who spent \$4.1 billion, representing 36% of all overnight trips spending in the province. Compared to typical overnight tourists in Ontario, visitors participating in arts and culture spent twice the money per trip, spent more nights in the province, and made more

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10 Phoenix Strategic Perspectives Inc. Arts and Heritage in Canada: Access and Availability Survey 2012. (Prepared for the Department of Canadian Heritage), 2012.

11 Torjman, Sherri, Culture and recreation: Links to well-being, Caledon Institute, Ottawa, 2004. pg.6.

12 Creative City Network of Canada, Arts and Positive Change in Communities. 2005. pg. 2.

13 Duxbury, 2008, pg. 8-9.

14 Arts Policy Branch, Department of Canadian Heritage, Analysis of DGAP Program Data (Internal Document), 2013.

extensive use of Ontario's hotels.<sup>15</sup>

Given the level of public support, the economic contribution (including increased tax revenues), and the need to protect arts and culture jobs, there is a continued and palpable need for public investment. In the absence of support, arts and heritage activities would be out of reach for many Canadians, especially youth and those who are disadvantaged.<sup>16</sup>

***Factors such as aging infrastructure, the digital revolution, the impact of economic cycles, and changing demographics contribute to a continuing need for federal government support for the art and culture sector.***

The need for on-going federal investment in art and heritage has not abated over the last five years, but rather has strengthened due to factors such as:

- ***Aging infrastructure and the need for innovative art spaces*** - Literature argues that there are growing pressures on the existing and aging infrastructure of Canadian art and heritage organizations. According to Duxbury (2008), existing infrastructure was built primarily in the 1960's, is aging, and is in need of significant repairs and upgrades in order to meet cultural and building standards.<sup>17</sup> The Federation of Canadian Municipalities reported in 2007 that there was a \$40.2B sub-deficit<sup>18</sup> for community, recreational, cultural and social infrastructure, and concluded that many of the facilities were in poor condition and in need of immediate attention.<sup>19</sup> Expert panelists unanimously agreed that the entire sector needs to be forward-thinking in terms of the types of spaces that will be needed in the future. According to the expert panelists, various art forms are merging (e.g., dance, theatre, and the circus), creating a need for new types of infrastructure and spaces (i.e. physical and organizational structures needed for the operation of an enterprise).
- ***The digital revolution*** - The document review suggests that rapid technological changes have significantly affected the ways in which people access, create, consume and preserve culture and, as a result, have impacted the types of spaces and equipment required to create and present art. These changes have impacted the ability of art organizations to meet client expectations (for example, the level of professionalism and quality as compared to other readily-accessible content). Expert panelists argued that artists need greater assistance with technological infrastructure, in order to adequately distribute their works as this often falls outside their area of expertise and requires significant time and effort. For example, many artists are now required to create their own web presence, and develop interactive web diffusion strategies and platforms. Similarly, key informants across all respondent groups identified rising costs, and increased

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15 Research Resolutions and Consulting Ltd. on behalf of the Ontario Arts Council, *Ontario Arts and Culture Tourism Profile*, (2012). Retrieved from: <http://www.arts.on.ca/AssetFactory.aspx?did=8778>.

16 Conseil des arts du Canada. Conseil Des Arts Du Canada - Financement Aux Artistes Et Organismes Artistiques Au Québec, 2011-2012. 2012. pg.1.

17 Duxbury, Nancy. *The State of Cultural Infrastructure in Canada*. 2008.

18 'Sub-deficit' refers to a part of total deficit related to the specific category of infrastructure, in this case community, recreational, cultural and social infrastructure.

19 Mizra, Saeed. *Canada's Looming Infrastructure Deficit*. 2007. pg.2.

demand for professional-grade technology and equipment as factors contributing to the need for a range of supports for the sector. PCH management identified an increasing need for resources to advertise and otherwise communicate through social media and other digital technologies.

- ***The economic downturn*** – Literature suggests that arts and heritage organizations are among the worst hit by an economic downturn, as a slow economy results in declines in subscription sales and reductions in corporate contributions. During such periods, funding sources (particularly public sector funding) which are not as sensitive to short-term economic changes become even more important to the financial stability and health of the sector. While arts and heritage organizations weathered the economic slowdown in 2008 and 2009 well, many did experience a significant decline in non-government revenues. A 2009 survey by Canada's Performing Arts Alliance reported that the economic downturn negatively impacted almost 80% of respondents including 9% who reported very negative impacts.<sup>20</sup> Similarly, a 2010 Vancouver Foundation Study found that a majority of arts organizations surveyed reported diminished revenues in 2008-09 from sources other than the public sector (e.g. 63% of organizations reported decreased revenues, with an average decrease being 18% across all types of organizations).<sup>21</sup> Statistics Canada shows that private sector revenues for performing arts organizations decreased by 9% while public sector revenues increased by 6% between 2008 and 2010. The number of artists in Canada employed did not change significantly during this time, partially due to continuous public support. Most expert panelists agreed that the economic downturn of 2008-09 generated some negative impacts on the sector. Specifically, experts indicated that there was a decline in growth and spending; budgets became smaller; seasons were compressed; audiences decreased in size; and there were clear changes in consumer behaviour such as postponing ticket purchases to just before curtain time. Administrative data suggest that, during the economic downturn, there was some increase in the amount of funding requested. The amount requested for construction and renovation under CCSF has varied over the years; in response to additional funding provided from federal government to offset potential negative impact of the economic slowdown in 2008 (as part of Canada's Economic Action Plan), applications for this program doubled in 2009 and the amount of funding requested increased threefold in comparison to previous years.
- ***Changing demographics*** – Canada is undergoing demographic and social change, resulting in a population that is increasingly diverse, urban and aging. Visible minorities make up over 36% of the populations of Toronto and Vancouver and are significantly represented in Montreal and other large cities.<sup>22</sup> Canada's Aboriginal populations are fast-growing, youthful, and increasingly present in cities as well as on reserve. Canada's population is increasingly urbanized, with more than 80% of Canadians now living in cities. Canada's population is aging;

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20 Canada's Performing Arts Alliance. *Our Fiscal Performance*, 2009. PCH, 3012.

21 Vancouver Foundation. *Weathering the Storm*, 2010. PCH, 3012.

22 Canada Council for the Arts. *The Current Environment for the Arts and the Canada Council*. Retrieved from: <http://canadacouncil.ca/en/council/about-the-council/current-environment>.

the number of Canadians over 65 years of age has nearly doubled since the 1980s and will double again in the next two decades.<sup>23</sup> Some panelists and key informants noted that these demographic changes place increasing pressure on organizations and donors to make art and culture available and relevant to urban as well as rural communities, to diverse ethnic groups, and to aging populations while reflecting traditional as well as contemporary artistic experiences.

***Together, the three programs are responsive to most of the needs of arts and cultural organizations. The evaluation has identified some areas for future consideration to ensure that programs, particularly CAPF, continue to be responsive to emerging needs.***

The three programs under evaluation are responsive to the funding needs of arts and cultural organizations (the needs they were mandated to fulfill). According to the document review, the federal government provided \$500 million in grants and contributions through CAPF, CCSF, and CCIF during the period of 2007-08 to 2012-13. In response to increased demand and the economic slowdown, the funding for CCSF doubled from \$30 million in 2008-09 to \$60 million in 2009-10, and was funded for an extra year at \$30M (2010-11) through the additional funding provided via Canada's Economic Action Plan. Budget 2013 announced that the Endowment Incentives component of CCIF would increase the amount of funding an arts organization can benefit from, over the life of the program, from a maximum of \$10 million to \$15 million.

In the 2007 budget, the Government of Canada announced a new investment of \$30 million per year in support of "local arts and heritage festivals that engage Canadians in their communities through the expression, celebration and preservation of local culture." The \$30 million in new resources was provided on an ongoing basis and included more than \$7 million annually for Arts Presentation Canada (later renamed the Canada Arts Presentation Fund.) That same year, a request for increasing maximum amounts for grants and contributions was granted to Arts Presentation Canada to enable the program to award this new funding to festivals for their community engagement activities.

Most key informants and surveyed funded organizations indicated that, taken together, the programs respond to the needs of arts and heritage organizations. Some noted that supported organizations managed well and demonstrated their resiliency during the economic downturn. Surveyed beneficiaries noted that the support provided through the three programs has helped arts and cultural organizations to leverage private sector funds. One of the successes of the CAPF, CCIF and CCSF that was most commonly noted is the interplay of the programs which impact the arts sector in different ways, creating a healthy balance of diverse supports and ensuring a high level of professionalism in Canadian arts and culture.

Seventy-six percent of representatives of funded organizations surveyed reported changes in the needs of arts and heritage organizations since 2008, and 60% noted that the three programs were well-positioned to respond to the current and emerging needs.

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<sup>23</sup> *Ibid.*

Beneficiaries reported that the programs work together to help address needs of art and cultural organizations such as the need for stable funding, support for staffing expenses, and artists fees, new technology, social media development, and assistance in leveraging funding or in-kind support. Multi-year applications, under CAPF, have eased the burden of administrative requirements for some organizations and helped them plan better for future programming. Representatives of unfunded organizations were more likely to report changes in needs (95% reported a change) and less likely (28%) to report that the programs were well-positioned to respond to current or changing needs.

Of those who received funding, CAPF programming recipients (about one-third of all respondents) were least likely to report that the program is responsive to emerging needs. Some beneficiaries noted that the distribution of CAPF funding better serves those located in large urban areas.<sup>24</sup> Administrative data shows that, while 70% of CAPF projects were funded outside large cities 50% of funding in 2012-13 was allocated across five large cities (Montreal, Toronto, Ottawa, Vancouver and Calgary).<sup>25</sup> Some key informants feel that too much CAPF resources are going towards high profile/popular events which are highly financially successful. As CAPF funding represents a very small percentage of their total budget, key informants believe that these events would take place in the absence of CAPF funding. Although the funding allows large audiences to benefit from specific activities which would not take place in the absence of CAPF funding (such as the presentation of emerging artists, community engagement sessions with artists, and appearances of artists from other Canadian provinces), they question the impact of CAPF funding on those events. They suggest that these funds be directed to other organizations to increase the impact of other events. The following table on the distribution of funding for CAPF projects in 2011-12 indicates that while many CAPF projects were approved, most received comparatively small amounts of funding. As illustrated, the smallest 260 projects (representing 41% of all projects) received less funding (\$3 million) combined than did the largest top 5 projects (representing 1% of total projects), three of which receive the maximum allowable contribution of \$1 million for festivals with total eligible expenses over \$5 million.

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<sup>24</sup> Program management notes that CAPF supports professional art activities and as most of these take place in large urban centers; it is only natural that the program will be less heavily invested in rural areas, where less professional artistic presentation takes place.

<sup>25</sup> Data extracted from the PCH website on Dec.3rd, 2013: <http://www.pch.gc.ca/eng/1378845246003>.



**Table 2: Distribution of Funding for CAPF Projects in 2011-12**

CAPF Project Funding 2011-12	Number	% of Total Projects	Total Funding	% of Total Funding
\$3,000 - \$10,000	139	22%	\$1,087,000	4%
\$10,001 - \$20,000	121	19%	\$1,936,000	7%
\$20,001 - \$50,000	197	31%	\$6,828,000	24%
\$50,001 - \$100,000	101	16%	\$7,341,000	26%
\$100,001 - \$500,000	44	7%	\$7,081,000	25%
\$500,001 - \$1mill	5	1%	\$4,200,000	15%
Total	607	100%	\$28,473,000	100%

Source: PCH website: CAPF Activities 2011-12

To balance this, the program has allocated proportionally more funding for eligible expenses to large projects in the rural and remote areas when compared to urban areas. For example, in 2011-12, projects that have received CAPF funding in the range of \$100,000 to \$500,000 received an average of 15% of their eligible expenses in rural or remote areas compared to 8% of eligible expenses for projects in urban settings. The overall percentage of eligible expenses funded by CAPF for projects less than \$100,000 in rural and remote communities is not significantly different than those in urban areas (6% in urban and 7% in rural and remote areas) which suggests that there may be opportunities to increase the level of support for rural and remote communities.

**Table 3: Distribution of Funding for CAPF Projects by Type of Communities in 2011-12**

CAPF Project Funding 2011-12	Urban Communities				Rural/Remote Communities			
	Total Funding	# of projects	% of Eligible Expenses Funded	% of Requested Funding Approved	Total Funding	# of projects	% of Eligible Expenses Funded	% of Requested Funding Approved
\$3,000 - \$10,000	\$467,000	59	5%	39%	\$620,000	80	7%	61%
\$10,001 - \$20,000	\$1,214,000	77	6%	57%	\$722,000	44	8%	61%
\$20,001 - \$50,000	\$4,799,000	135	5%	57%	\$2,029,000	62	5%	70%
\$50,001 - \$100,000	\$6,182,000	84	7%	67%	\$1,159,000	17	7%	75%
\$100,001 - \$500,000	\$5,961,000	37	8%	64%	\$1,120,000	7	15%	70%
\$500,001 - \$1mill	\$4,200,000	5	5%	86%	\$0	0	-	-
Total	\$22,823,000	397	6%	68%	\$5,650,000	210	7%	65%

Further analysis of CAPF beneficiaries shows that 82% of organizations funded in 2011-12 also received funding the following year (some of which is due to the multi-year funding).<sup>26</sup> In addition, close to half of all surveyed respondents argued that, without an increase in the overall funding envelope for CAPF, there will be increased competition for funds between new and existing clients as well as between smaller but growing events and larger traditionally funded projects. Expert panelists and a few key informants suggested that innovative, non-traditional, mobile cultural infrastructure is needed, and questioned whether and to what extent the assessment criteria for CCSF and the definition of cultural space and professional arts and heritage organization are responsive

<sup>27</sup> Source: Statistics Canada, Government Expenditures on Culture 2009-2010

to these emerging needs. The document review also revealed the need to explore the support of emerging types of spaces, in order to reflect evolving trends in the arts and heritage sector. The programs should monitor the extent to which new and emerging organizations are able to access funds, and whether the current level of funding awarded in relation to funding requested can address emerging needs of recipients.

### **3.1.2 Complementarity of Programs**

The PCH programs complement other federal, provincial and municipal programs which provide support to the arts and culture sector. This section provides a brief overview of other available programming and then discusses the distinct objectives and roles of PCH programs in meeting the needs of the sector.

***All three levels of government in Canada are involved, to varying degrees, in providing support to the arts and culture sector.***

At \$2.2 billion of total expenditure on culture by all three levels of government, spending on the arts in 2009-10 represented 20% of the overall cultural investment of \$9.6 billion. This 20% includes funding to the performing arts, arts education, the visual arts and crafts, festivals, cultural facilities and centres, and cultural exchange programs. Of the \$2.2 billion investment, the largest investment is made by municipalities at \$914 million (or 41.7%), followed by the provinces and territories at \$803.5 million (36.7%) and then the federal government at \$473 million (21.6%).<sup>27</sup> While a comprehensive environmental scan of other programs is beyond the scope of this evaluation, the following paragraphs briefly describe other public sector programs that are somewhat similar to the three programs evaluated (i.e. are targeted to or accessed by the same arts and cultural organizations, or support similar activities).

- ***Other Canadian Heritage Funding Programs*** – The Local Festivals component of the Building Communities through Arts and Heritage (BCAH) Program can appear similar to CAPF. The mandate of BCAH is to build stronger citizen engagement in communities through performing and visual arts and in the expression, celebration and preservation of local historical heritage. Eligible festivals may use funds from this component to include local artists and artisans in their programming. BCAH increases opportunities, through festivals and other events and projects, for local artists and artisans to be involved in their community and for local groups to commemorate their local history and heritage. The program delivers its funding through three separate components: Local Festivals, Community Anniversaries and The Legacy Fund.
- ***Canada Council for the Arts*** – The Canada Council operates at arm's length from the government, and fosters and promotes the study, enjoyment and production of works of art. The Canada Council delivers approximately 150 grant and prize funding programs. Many of the grant programs are targeted at individual artists and most commonly support the creation/production of artistic works,

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<sup>27</sup> Source: Statistics Canada, Government Expenditures on Culture 2009-2010

professional development, and residency and travel expenses. Other grants programs support art collectives, companies and other Canadian, non-profit arts organizations with funding for operating expenses, organizational development assistance, project assistance and presentation and dissemination assistance.<sup>28</sup>

- ***National Programs not specific to the arts sector*** – In the 2013 Budget, the Government of Canada committed to continue investments in infrastructure by introducing the Community Improvement Fund. The Community Improvement Fund provides funding of \$32.2 billion for Canadian municipalities over the 10 years of the new Building Canada Plan. Approximately, 10% of survey respondents reported accessing support from regional development agencies of the federal government. Employment and Social Development Canada (ESDC) programs, such as the Youth Employment Strategy, Literacy and Essential Skills funding, and the Enabling Accessibility Fund (a federal grants and contributions program that supports capital costs of construction and renovations related to improving physical accessibility and safety for people with disabilities), were also utilized by organizations surveyed.
- ***Provincial/Territorial Programs*** – All provincial and territorial governments provide funding for the development and promotion of arts and culture, through government departments or arm’s length agencies (e.g. provincial arts councils, foundations and boards). The range, type, objectives, and structure of the programs, as well as level of investments vary significantly from region to region. On per capita basis, the territorial governments spend comparatively more than the provincial governments (in 2009-10, per capita territorial government spending on culture was \$228 in Northwest Territories, \$279 in Nunavut and \$628 in Yukon; the Government of Newfoundland and Labrador ranked first among provinces, spending \$156 per capita). While provincial government spending varies over the years, five provinces (Manitoba, Saskatchewan, Newfoundland and Labrador, Quebec and Prince Edward Island) consistently rank among the top five while the other provinces (Alberta, Nova Scotia, New Brunswick, Ontario and British Columbia) consistently rank in the bottom five.<sup>29</sup>
- ***Municipal Programs*** – Municipal spending on culture varies widely between cities and across provinces. According to Statistics Canada data, municipal spending on culture averaged \$87 per Canadian.<sup>30</sup> Per capita municipal government spending ranged from \$103 in Saskatchewan and \$100 in British Columbia to a low of \$32 in Prince Edward Island and \$31 in Newfoundland and Labrador. Municipal governments most commonly provide small project and operating grants for arts organizations and, in some cases, individual artists. The

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28 Canada Council for the Arts. “General Eligibility”. Retrieved from: <http://canadacouncil.ca/en/council/grants-and-prizes/general-eligibility>.

29 Canadian Conference of the Arts/Centre on Governance, Flat-Lined but Still Alive. Analysis of the Provincial and Territorial 2012-13 Budgets from the Perspective of Arts, Culture and Heritage, University of Ottawa, 2013.

30 Hill Strategies. Government Expenditures on Culture, 2009-10.

focus of these grants can vary widely from community to community, often providing support for local festivals, community celebrations, small projects, or municipal owned or supported infrastructure.

***The objectives, focus and delivery structure of the three PCH programs under evaluation are distinct from those of other programs and the Canada Council. The programs are designed to allow for leveraging of PCH funding with funding from other sources, which reduces the potential for overlap and duplication.***

The document review suggests that some of the elements of the three programs under evaluation may overlap to some extent with other PCH programs. For example, the 2011 evaluation of PCH's Building Communities through Arts and Heritage Program (BCAH) recommended that the current program design be reviewed to address the perception of potential overlap between Local Festival and Legacy Fund components of BCAH and CAPF and CCSF respectively.<sup>31</sup> Although various PCH programs may share clients or provide funding for similar expenses, they have different objectives or are specifically designed to fill the niche in the need for support. For example, CAPF and the BCAH local festival component have different objectives (CAPF is focused on access to a variety of professional artistic experiences in their communities; while BCAH is focused on citizen engagement in their local communities). To ensure that no duplication occurs in practice, Canadian Heritage allows an organization to receive funding under only one of the two programs for the same activity. Similarly, CCSF is larger in scope and focuses more on cultural organizations, while the BCAH Legacy Fund narrowly provides funding for capital projects in communities commemorating their centennial year and subsequent anniversaries in 25 year increments.

PCH and the Canada Council, work closely together to ensure that each program works to achieve its objectives by addressing distinct needs within the professional non-profit sector. More specifically:

- In their respective programs, the two organizations tend to focus on different aspects of the arts and cultural sector. Canada Council primarily provides support directly to artists and arts organizations for the making of art. PCH helps to create the conditions for Canadians to access the arts in their communities: promoting private sector investment and developing sound business practices; investing in the construction and renovation of arts and heritage facilities and the purchase of specialized equipment; and providing funding to festivals and performing art series primarily in music, theatre and dance. Canada Council focuses on the health and artistic excellence of art and culture sector while PCH focuses on broader issues such as accessibility, representativeness, social and cultural capital, and community and civic engagement.
- While Canada Council operates from a national office established at arm's length from government, PCH uses a ministerial model supported by regional offices. The regional delivery model used for CAPF and CCSF benefits from the ability of regional staff to determine the needs of the local arts and heritage sector and meet

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<sup>31</sup> Since then, CAPF and/or BCAH have refined their eligibility criteria to reduce or eliminate this potential overlap. BCAH and CCSF are expected to address this potential overlap in the near future.

those needs by working with other funders, creating partnerships, and filling gaps in the support available regionally. The ministerial model ensures that the programs directly responds to government priorities and fills key gaps, such as ensuring that arts and cultural activities reach into smaller rural and Aboriginal communities, which may otherwise be overlooked. Most key informants argued that such a model is necessary for a healthy culture ecosystem.

Canada employs a diversified or pluralistic approach to funding of the arts sector, whereby arts organizations are not dependant on either public or corporate sponsorship but rather on combined investments. Funding from federal government accounts for 9% of the revenues of non-profit performing arts organizations and is complemented with funding from the provincial and municipal governments (which account for 17% of revenues), funding from the private sector and donations (accounting for 22% of revenues), and earned revenues (52%).<sup>32</sup> Many arts organizations in Canada receive funding from more than one government program, which is intentional as most programs are designed to work in partnership with those of other funders. The design of the PCH programs contributes to the success of the pluralistic model by creating opportunities for organizations to leverage funding and enhance resiliency through diversifying their revenue streams. For example, the administrative data shows that, over a five year period (2008-12), CAPF funding accounted for 6% of the total revenues of funded organizations and was complemented with other funding from the federal government (accounting for 5% of revenues) and provincial and territorial governments (12%). The results of the evaluation suggest that, while the programs are designed and delivered in a manner that reduces the potential for duplication or overlap in funding, there may be opportunities to further improve the level of coordination between programs as described below.

- The presence of multiple PCH arts and culture programs as well as funders in three levels of government can result in some administrative inefficiency (i.e. additional costs to both applicants and programs associated with having arts organizations apply and report to multiple funding programs and organizations). There may be opportunities to reduce the costs of multiple streams of public funding by facilitating greater standardization in application and reporting processes and greater sharing of information, particularly in the area of collecting and sharing common financial and statistical data on Canadian arts organizations that apply and receive funding from the programs.
- Given the number of public and non-government organizations providing support to the arts sector, aligning and coordinating programming nationally and regionally is an on-going process. Some expert panelists and a few key informants suggested that PCH should work closely with other organizations, including the Canada Council, to ensure that programs are well-coordinated and provide integrated support for the sector. Program management indicates that there already is ongoing intra-Departmental/agency and inter-governmental discussion regarding program design and delivery. They further note that these

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32 Statistics Canada, Survey of Service Industries: Performing Arts 2010, 2012.

discussions take place in several fora which assist in strong coordination, including the Canadian Public Arts Funders, and regular tri-level (municipal/provincial/federal) funders meetings around the country.

- The changes made to the CCIF in 2010-11 (when the objectives of the program were redefined, three program components were cancelled, and a new component was created) is an example of how periodic realignment of a program can enhance reach and effectiveness.

### **3.1.3 Alignment with Federal Government Priorities and Departmental Objectives and Priorities**

***The Programs are aligned with the federal government and PCH strategic priorities.***

The findings of the document review show that all three programs are aligned with federal government priorities. In the 2008 Speech from the Throne the Government of Canada positioned itself as an active supporter of Canadian culture. It asserted that “Cultural creativity and innovation are vital not only to a lively Canadian cultural life, but also to Canada’s economic future”. Budget 2009 states that “Culture reflects who we are as a nation, how we see ourselves within our country, and how we appear to the world”. The government also acknowledged that the Canadian cultural sector is “vulnerable to economic shocks”. In response, Canada’s Economic Action Plan of 2009 announced the following commitment, which included an increased investment in the program: “Day to day, Canadians experience the essence of this rich and diverse country through the imagery and words of its artists, through works which demonstrate the best of talent. The Government wants to help ensure as much stability as possible for the [cultural] sector at a time when the sector is facing difficult challenges.

The federal government continues to highlight the importance of supporting art and culture. The 2012 Budget noted that: “Supporting the arts is essential to supporting Canada’s economy and quality of life”. Most PCH management, PSO and applicant organizations view the programs as aligned with federal government priorities because, by helping the Canadian arts and heritage community thrive and become more accessible, they improve quality of life for Canadians and support Canadian economic activity.

All three programs are aligned with the PCH strategic outcome: “Canadian artistic expressions and cultural content are created and accessible at home and abroad” as well as the PCH strategic priorities. According to all PCH Management who addressed this issue, the programs aligned well with PCH strategic priorities because they support, through investments in communities across Canada, the creation and accessibility of artistic expressions and cultural content within Canada, help celebrate Canadian history and heritage, and take advantage of digital technology. The following table illustrates how the different programs align with each PCH priority as per the 2013-14 Report on Plans and Priorities.

**Table 4. Examples of Alignment with PCH Strategic Priorities**

PCH Strategic Priorities as per the 2013-14 Report on Plans and Priorities	Examples of Program Alignment
1. Adaptation of a digital world	<ul style="list-style-type: none"> <li>▪ <i>CAPF</i> enables art presenters and PSO to respond to advances in digital technologies on stage and as part of innovative marketing and audience development strategies.</li> <li>▪ <i>CCSF</i> funded many facilities which now have improved technological features (82 facilities funded in 2007-08 and 2008-09, 113 facilities funded in 2009-10, and 49 in 2010-11) and purchased specialized equipment (90 in 2009-10 to 42 in 2010-11).</li> <li>▪ <i>CCIF</i>, particularly the SI component, helps arts and heritage organizations make strategic use of new technologies. It is estimated that more than 60% of all projects approved since 2010 contained a digital component.</li> </ul>
2. Celebration of history and heritage	<ul style="list-style-type: none"> <li>▪ <i>CAPF</i> funding ensures that artists from all regions of Canada share their stories with Canadians in other parts of the country.</li> <li>▪ <i>CCSF</i> aims to increase and improve access for Canadians to museum collections and heritage, performing arts, the visual and media arts.</li> <li>▪ <i>CCIF</i> helps arts and heritage organizations be resilient and make stronger contributions to Canadian society and the economy.</li> </ul>
3. Community Investments	<ul style="list-style-type: none"> <li>▪ <i>CAPF</i> enables presenters to offer a variety of professional artistic experiences that help engage Canadians in their communities through partnerships, volunteerism, etc.</li> <li>▪ <i>CCSF</i> contributes to development and upgrading of physical space in the communities.</li> <li>▪ The main objective of <i>CCIF</i> is to contribute to the long-term organizational, administrative and financial health of arts and heritage organizations which brings stability to arts and heritage organizations and, in turn, to the communities.</li> </ul>

### **3.1.4 Alignment with Federal Government Roles and Responsibilities**

***Ensuring that all Canadians have continued access to arts and heritage experiences is an appropriate role and responsibility for the federal government.***

As the Constitution Act, 1867 did not assign jurisdiction over arts and culture, it is a responsibility of the federal and provincial governments. Canada's first federal cultural institution was established in 1872 when the Public Archives of Canada (now part of Library and Archives Canada) was created. The federal government became more involved in the cultural landscape with the development of film industry and development of the Canadian Broadcasting Corporation (CBC) in 1932. The Massey Commission report (1951), which called on federal government to strengthen the

institutions which promote common understanding and enrich our lives,<sup>33</sup> led to the establishment of the National Library in 1953 and the Canada Council for the Arts in 1957. Since then, the federal government has continued to be involved and further develop its cultural policies. In 1982, with the adoption of the Canadian Charter of Rights and Freedoms, Canada's multicultural nature was formally recognized in the Constitution. Protecting Canadian cultural sovereignty, integrating new Canadians, promoting diversity, and supporting Canadian cultural industries have continued to be important goals of government policies.<sup>34</sup> Canadian cultural policies continued to develop in light of significant economic and technological changes. In June 1993, the responsibility for cultural affairs was assigned to the new Department of PCH. Although the policy and the roles of different departments within federal government continued to evolve, the responsibility for federal cultural policy lies with the Department of PCH.

Literature argues that federal government support for art and culture is crucial to ensuring that all Canadians have access to, and benefit from, art and cultural experiences. In 2004, a group of experts (public and private) in the arts and sport sectors agreed that the federal government should be involved in increasing citizen and community participation in areas such as cultural activity, volunteering and giving, as well as belonging.<sup>35</sup> All expert panelists and key informants agreed that ensuring Canadians have continued access to arts and heritage experiences is an appropriate role and responsibility for the federal government. Key informants and experts emphasized the role the federal government plays in creating a sense of a 'nation' through supporting arts and culture as well as by providing leadership for collaboration and cooperation between the various levels of governments and other actors in the arts and heritage sector. While there may occasionally be overlap (e.g. community development is a provincial responsibility not federal), the roles and responsibilities are perceived to be complementary.

The role and responsibility of the federal government in supporting arts and culture has been reaffirmed in recent decades with the growing understanding of the economic contributions of arts and culture industries and their important role in the creative economy of the country.<sup>36</sup> Canadians also believe that the federal government, as well as other governments, have a responsibility to ensure access to arts and culture. In 2012, 87% of Canadians surveyed felt arts and culture warranted the support of all levels of government, and nine out of ten agreed with governments providing support for the arts and culture and promoting awareness of events and activities. Furthermore, 88% strongly agreed that Canadian governments should work through partnerships to ensure that there are enough arts and cultural facilities to serve the public.

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33 Royal Commission on National Development in the Arts, Letters and Sciences (Retrieved from: <http://www.collectionscanada.gc.ca/2/5/h5-400-e.html>).

34 Library of Parliament, Federal Government Policy on Arts and Culture, Michael Dewing, Social Affairs Division, Parliamentary Information and Research Center (Revised, 31 January 2013).

35 Lopes, Sandra. Citizen and Community Participation: Understanding and Leveraging its Potential. Public Policy Forum. 2004.

36 Valuing Culture Measuring and Understanding Canada's Creative Economy, Conference Board of Canada, August, 2008.



## 3.2 Performance—Effectiveness

This section summarizes evaluation findings regarding the effectiveness of the individual programs in achieving their intended immediate and intermediate outcomes as well as the effectiveness of all three programs in generating common outcomes for Canadians and their communities.<sup>37</sup>

### 3.2.1. Achievement of Outcomes by Individual Programs

#### **Canada Arts Presentation Fund**

The evaluation found that the CAPF helps arts presenters to offer a variety of professional artistic experiences and engage Canadians from across the country, including those in underserved communities and segments of population. The program also helps to improve professionalism and create a healthy environment where presenters can thrive and share experiences. The findings of evaluation regarding CAPF's performance are as follows:

***The Canada Arts Presentation Fund provides support to arts presenters in all regions of Canada and across a variety of disciplines.***

On average, nearly 600 projects were funded annually from 2007-08 to 2011-12. CAPF consists of two components: approximately 96% of the CAPF projects were funded under the Programming Component and 4% were funded under the Development Component.

The Programming Component provides support for professional arts festivals, performing arts series presenters, and PSO. Approximately 550 festivals and arts series organizations (representing about 95% of the funding under this component) and 20 PSO were funded annually over the five year period. Programming presenters were more commonly located in Ontario (27%), Quebec (27%), and Western Canada (24%), followed by Atlantic Canada (14%) and the Prairies (8%).<sup>38</sup>

The Development Component supports the emergence of arts presenters and PSO for under-served communities or artistic practices. The number of professional arts festivals and performing arts series presenters funded each year ranged from 6 to 16 while the number of PSO ranged from 8 to 12. Organizations supported by the Development Component were located most commonly in Ontario (48%) followed by Western Canada (21%), the Prairies (17%), and Atlantic Canada (about 14%).<sup>39</sup>

Organizations supported under CAPF are located in a wide range of communities, and present activities in a variety of disciplines. According to program documents, in 2011-12, CAPF supported activities reached 257 communities across Canada, 67% of which

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<sup>37</sup> Appendix E contains a table which defines the specific data elements included under each program and outcome.

<sup>38</sup> PCH has five regional offices: Atlantic region (which includes New Brunswick, PEI, Nova Scotia and Newfoundland and Labrador), Quebec region, Ontario region, Prairies and Northern Region (which includes Manitoba, Saskatchewan and NWT) and Western Region (Alberta, British Columbia and the Yukon).

<sup>39</sup> Note that Development Component is not used in Quebec. The Quebec region focuses its funding on providing support to the existing volume of arts presentation in the Quebec Region through the Programming Component.

are rural or remote.<sup>40,41</sup> The number of communities from which organizations were funded ranged from six communities in northern Canada including three in the Northwest Territories, two in the Yukon, and one in Nunavut (these communities received 3.5% of CAPF funding) to 74 communities in Quebec (which received 34% of the funding).

The arts discipline most commonly associated with projects funded under both the Programming and Development Components over the evaluation period was music (i.e., 74% of Programming Component and 71% of Development Component funded activities offered a music component), followed by dance (i.e., 46% of Programming Component and 66% of Development Component funded activities) and theatre (i.e., 46% of Programming Component and 54% of Development Component projects). Other disciplines funded regularly over the years included visual arts, literature, and media art.

***The funding supported a large number of professional development opportunities<sup>42</sup>, which helped strengthen the efficiency and professionalism of the arts presenting community.***

On average, 30 PSO are funded annually to support professional development activities (about 10 are funded the Development Component and 20 are funded under the Programming Component). Collectively, PSOs delivered over 5,000 professional development activities between the years 2007-08 to 2011-12 inclusively.<sup>43</sup> These activities included contact events, tool development, presenter conferences and workshops, block-booking and marketing, and networking.

Over three-quarters (77%) of the 22 arts support organizations that were surveyed indicated that CAPF funding resulted in professional development activities that strengthened arts presentation in Canada, particularly in areas such as governance, strategic planning and volunteer management. In addition, 81% of arts presenters surveyed indicated that the funding they received helped them to improve the quality of presentations and performances.

The case study review of the Golden District Arts Council<sup>44</sup> demonstrated that \$57,200 in CAPF funding provided between 2007 and 2012 increased the efficiency and effectiveness of the planning and delivery of the series, by supporting improvements to human resources management and bookkeeping, the development and implementation of a new audience targeting and communication plan, and their ability to offer ticket sales via credit card.

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40 CAPF2010-11 Performance Story. The size of communities are defined based on Statistics Canada definitions and include: large urban - population of over 200,000, medium urban population between 100,000 to 199,999; small urban: population between 50,000 and 99,999; rural population of less than 50,000 located at least 50 kilometres away from a centre with 100,000 or more residents) and remote communities defined as centres with a population of less than 50,000 located at least 200 kilometres away from an urban centre with 100,000 or more residents or a provincial capital.

41 Number of CAPF supported projects reaching underserved communities and populations is even higher and will be discussed later in the document.

42 Not to be confused with the support provided to organizations for the training of artists through Canadian Arts Training Fund (CATF).

43 It should be noted that not all final reports for 2011-2012 had been received at the time of data extraction.

44 Golden and District Arts Council (GDAC), now commonly known as Kicking Horse Culture, is an arts and culture non-profit society serving the community of Golden, British Columbia (BC).

***CAPF contributed to increased engagement and participation of Canadians in a variety of professional artistic experiences, including those in underserved communities and segments of the population.***

Although it is not possible to measure the full magnitude of the impact, the evaluation findings provide evidence that CAPF has contributed to increased participation of Canadians in art by:

- **Ensuring that underserved communities (remote and rural) and, population segments have access to arts and culture** - Administrative data indicates that, between 2007-08 and 2011-12, 65% of communities reached with CAPF Programming funded projects were rural and remote communities. On average, 28% of projects funded through the Development Component reach rural and remote communities. Across the two components, CAPF projects reached out most frequently to young (70%) and culturally diverse audiences (62%) as well as to Aboriginal audiences (30%) and official language minority communities (34%). Survey results also show that most CAPF funding recipients provided culturally-diverse programming (74%) and involved artists from official language minority communities (52%). About one-third of the arts presenters surveyed noted that CAPF funding resulted in increased Aboriginal artistic expression.
- **Engaging a significant number of volunteers** - The administrative data indicates that CAPF beneficiaries engaged large numbers of volunteers. On average, the organizations funded through the CAPF Development Component reported a total of 360 part-time and full-time volunteers annually while the organizations funded through Programming Component engaged 65,000 volunteers annually between 2007-08 and 2011-12. Most funding recipients surveyed (64%) reported that they have been able to attract increased numbers of volunteers over the past five years, a majority of whom (54%) attributed the increase, at least in part, to the CAPF funding.
- **Delivering a large number of outreach, promotional and public engagement activities** - Between 2007-08 and 2011-12, CAPF beneficiaries undertook an average of 14,000 outreach activities annually including public discussions/lectures, pre- or post-show panel discussions, roundtable presentations, workshops open to the public, demonstrations, residencies, seminars, and public rehearsals. In 2011-12 alone, outreach activities reached an estimated 1.8 million Canadians. Approximately 75% of the funding recipients surveyed indicated that CAPF has helped them to increase promotional and marketing strategies and attract a larger audience.

***By funding presenter support organizations and encouraging partnerships and alliances between presenters, CAPF is working to create a healthy environment where presenters can thrive and share experiences.***

The activities and services delivered by presenter support organizations help build the foundation of a healthy Canadian presenting environment. CAPF provides strategic and focussed funding to these organizations so that arts presenters (professional arts festivals and performing arts series presenters) are better able to continue to evolve professionally

in their field.<sup>45</sup> CAPF beneficiaries are encouraged to develop partnerships or strategic alliances to share resources, increase and widen audience reach and realize their organizational presenting goals. According to the administrative data, the number of partnerships established totalled 2,174 in 2009-10, 2,126 in 2010-11, and 2,143 in 2011-12). Partnerships between presenters and peers consistently accounted for the largest proportion of these partnerships established. Surveyed funding recipients indicated that, as a result of CAPF, they were able to engage more artists (76%) and create partnerships with other organizations (63%).

***CAPF helps to increase access to diversity of artistic experiences as well as appreciation of arts amongst Canadians.***

In recent years, CAPF funded organizations reported a combined attendance of over 20 million annually<sup>46</sup>. The evaluation findings demonstrate that CAPF contributes to the ability of organizations to increase not only the number of performances but also the diversity of arts and cultural programming for a large number of communities across the country.

CAPF funding helped to increase the number of performances. In the survey, 79% of art presenters indicated that they were able to increase the number of performances and presentations as a result of CAPF funding. In addition, over half of the art presenters reported being able to contribute to artist travel costs (56%) and increase the touring scope and opportunities within Canada for artists (57%), both of which helped to increase access to artists from other regions of Canada. A few key informants emphasized the impact that CAPF has had in enabling organizations to showcase performers from across the country, giving Canadians opportunities to access new performers that they otherwise would not have been able to see. Surveyed funded recipients emphasized the impact of CAPF funding in increasing the accessibility and diversity of performances to youth and socio-economically disadvantaged groups through low-cost or free of cost ticket offers and community outreach programs.

The arts presenter organizations hosted a large number of artists, both domestic and international. On average, the funding recipients reported presenting about 25,000 artists annually. Most of these artists (64%) performed in their province of origin while the rest were from another region of Canada (18%) or from outside of the Canada (18%). Almost 90% of survey participants who described their organization's mandate as arts presenter indicated that there has been an increase in the variety of their programming as a result of CAPF.<sup>47</sup> Approximately 80% of those respondents further indicated that, as a result of CAPF funding, they were able to showcase works by emerging artists, 74% increased the cultural diversity of their programming, 64% were able to offer artistic productions created in other provinces or territories or outside Canada, and 54% were able to showcase new artistic disciplines or new genres within a discipline.

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45 CAPF Programming Component Guidelines (Presenter Support Organizations). Note that 20 million refers to experiences not individuals.

46 PCH website: CAPF: <http://www.pch.gc.ca/eng/1348687030281/1348687694432>.

47 A total of 188 out of 213 who described their organization's mandate as arts presenters.

The CAPF program strikes a delicate balance between ensuring that a large number of Canadians participate and enjoy professional artistic experiences through CAPF funded organizations (ultimate outcome) and that the program continues to support smaller, less mainstream art forms which do not attract large audiences (diversity argument). Some key informants suggested that, in the future, more emphasis in terms of allocation of funding should be placed on less mainstream presenters than currently exists. Given that a large majority of organizations funded under the CAPF program have been funded on an ongoing basis, it will be important for the program to continue to monitor whether, and to what extent, barriers to access may exist for emerging, non-traditional art organizations and forms with more limited public reach. As noted earlier, allocation of funding awarded across various organizations may become increasingly challenging, particularly if demand for the funding increases. Surveyed organizations were least likely to be satisfied with the amount of funding available. For example, most beneficiaries expressed high satisfaction with the program overall, including the objectives of the program, eligibility criteria and the services received from the staff (over 80% of surveyed recipients in both components were very or somewhat satisfied); just over a third of programming fund recipients and about half of development fund recipients were satisfied with the total amount of funding available.

### ***Canada Cultural Spaces Fund***

The evaluation found that the CCSF has contributed to new and improved arts and heritage facilities and infrastructure across a variety of disciplines and communities, thereby improving both access to, and quality of, arts and heritage experiences for Canadians. The regional presence of PCH contributes to the success of the program by facilitating understanding of local needs and demands as well as the development of close collaborations with regional partners. The major findings of the evaluation regarding the CCSF are as follows:

#### ***The Canada Cultural Spaces Fund contributed to new and improved arts and heritage facilities and infrastructure.***

Between 2007-08 and 2011-12, 487 cultural infrastructure projects were funded which resulted in new or improved arts facilities (an average of 97 projects per year). The number of projects funded was higher in 2009-10 (134), compared to other years, due to the additional funding received through Canada's Economic Action Plan.

The projects funded under the CCSF consist of construction and renovation projects, and specialized equipment projects and feasibility studies. Specialized equipment and feasibility studies were not coded separately from other projects until late in 2009-10. For 2010-11 and 2011-12, construction and renovation projects accounted for 43% of the projects and 72% of the funding awarded while specialized equipment projects and feasibility studies for prospective construction or renovation projects accounted for 57% of the projects and 28% of the funding awarded.

The construction and renovation projects<sup>48</sup> received an average of \$459,899 in CCSF funding per project, which represented 17% of the total project costs. Projects involving special equipment purchases and feasibility studies received an average of \$132,472 in funding from 2009-10 to 2011-12, which represents 42% of the total project costs (most of this funding went towards the purchase of specialized equipment and for the improvement of technological and safety features; only 7 of the 108 projects funded over the past two years were feasibility studies).

The CCSF is highly competitive, with only about 50% of project applications approved in any given year. This strong level of competition enables the program to be very selective with respect to which projects are funded although, according to some key informants, can also make it difficult for innovative, non-traditional and risky projects to receive funding (particularly those that have greater difficulties in securing funding from other partners). Some experts indicated that criteria used to define “cultural space” and “professional arts and heritage organization” may also discourage or eliminate those with innovative ideas. For example, the definition of what constitutes a cultural space or dedicated facilities may create barriers for some organizations to access funding. It was suggested that the program further investigate if, and to what extent, the limited funding available or the assessment criteria impact access to funding from certain types of organizations.

***CCSF provided support to arts and heritage organizations across a variety of disciplines and range of communities.***

Over the five year period from 2007-08 and 2011-12, CCSF supported projects most commonly involved multidisciplinary facilities (36% of projects) followed by museums (23%), and theatre (17%), dance (5%), heritage centres and sites (4%), media arts (4%), music (4%), and others (7%).

Over this time period, an average of 63 communities benefited each year from the CCSF of which 25% were large urban centres, 24% were small and medium sized urban centres, 32% were rural communities and 19% were remote communities.

Larger centres were, on average, the location of more projects per community than were smaller centres. As a result, large urban centres were the location for 47% of the CCSF projects over the five year period while 19% were located in small and medium sized urban centres, 22% were located in rural communities, and 12% were located in remote communities. The proportion of the projects which funded in remote communities was much higher in 2011-12 (22%), than in the previous years.

A majority of the CCSF projects reported serving one or more underserved communities. Thirty-eight percent of the projects reporting serving rural and remote regions (including 47% in 2011-12), 29% reported serving young audiences, 18% reported serving culturally

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<sup>48</sup> Note that specialized equipment and feasibility studies are included in this analysis for year 2007-08 to 2009-10 because these projects were not tracked separately.

diverse communities, 14% reported serving Aboriginal communities, and 13% reported serving official language minorities.

***The developments and improvements have provided better access to and quality of arts and heritage experiences for Canadians.***

The results of the survey indicate that the CCSF has impacted organizations in different ways depending on the type of projects funded. For example, surveyed CCSF beneficiaries reported that the funding helped them improve space for their activities (71%) and improve technical equipment (66%). About half of survey respondents indicated that CCSF funding resulted in improved facility design, architecture or layout (55%), increased visitor capacity and accommodation (54%), and improved safety and security systems (51%). As a result of improved or new space, capacity and equipment, surveyed organizations were able to:

- Increase the number and variety of arts and cultural activities presented. Amongst the arts organizations representatives surveyed who indicated that CCSF funding enabled them to increase the variety of their programming, almost two-thirds indicated that CCSF helped them showcase new artistic disciplines or new genres within a discipline (64%) and present works by emerging artists (62%). Others indicated that they were able to present culturally diverse programming (42%), artistic productions created in other provinces or territories or outside of Canada (42%), and Aboriginal artistic expression (24%). Over half of respondents also noted that CCSF funding enabled them to put on a greater number of productions, attract more artists, and improve the comfort and attraction for the audiences.
- Improve the quality of performances. The survey of funded arts organizations shows that CCSF funding enabled a large majority of recipients to improve the quality of productions and performances (81%), and put on productions and performances that are of greater technical quality (77%).
- Increase access to heritage exhibitions. A majority of heritage organizations that were surveyed indicated that CCSF funding enabled them to attract more visitors (82%), host and organize more exhibits (68%), and increase visitor capacity (65%). About half of the organizations were able to collect and preserve more records and artefacts as well as improve the quality of record or artefacts preservation features.

***The level of PCH regional involvement contributes to the success of the program by facilitating understanding of local needs and demands and building close collaborations with regional partners.***

The Regional Investment Strategies (RIS) and continuous intake process were identified by key informants as key factors contributing to the success of the CCSF. The RIS ensure that funding decisions are based on knowledge of the local context, while the continuous intake process allows for organizations to apply when they are ready and all the funding and operational pieces are in place. Most CCSF funding recipients were satisfied with the program overall (93% were very or somewhat satisfied). Recipients were more likely to be satisfied with the objectives of the program, the eligibility criteria and the service received from staff (over 91% were very or somewhat satisfied) than with the total

amount of funding available (54% were very or somewhat satisfied) or the predictability of funding amounts (51% were very or somewhat satisfied).

### **Canada Cultural Investment Fund**

The CCIF experienced significant change during the period covered by the evaluation. The program was restructured in 2010-11 and three of its components which shared similar objectives were merged into one (Strategic Initiatives component) with a somewhat different focus. The new Strategic Initiatives component has supported a collective approach that assists arts and heritage organizations improve their business operations, make strategic use of new technologies, and diversify revenues.

By leveraging \$1.50 in donations from the private sector for every dollar contributed by the federal government, the Endowment Incentives component has had a significant impact on the financial stability of the arts sector. Other components have helped to sustain cultural activities at the local level.

The major findings of the evaluation regarding the CCIF are as follows:

***The Strategic Initiatives component of CCIF has broadened the impact of the program by supporting a collective approach to projects which are intended to improve the business operations of arts and heritage organizations and help them make strategic use of new technologies and diversify revenues.***

The Strategic Initiatives component, which replaced the three former components of CCIF (Networking Initiatives, Stabilization Projects, and Capacity Building), was designed to support projects that are fewer in number but which have a broader impact on the sector. This is achieved by encouraging arts and heritage organizations to form partnerships and develop strategies, which foster an environment of collective resilience for their cultural communities. Administrative data shows that, in the final years of the Capacity Building component, approximately 150 projects were funded per year with each project benefiting only the individual organization which received funding. The Strategic Initiatives component funded only 25 projects in its first two years of existence (2010-11 and 2011-12) yet those projects resulted in over 170 partnerships and shared resources and benefited over 5,000 organizations working in the arts and heritage sector in Canada. As Strategic Initiatives is a relatively new component, there are indications that suggest that it may not yet be well understood amongst stakeholders.

After only two years in operation, it is too early to determine the longer term impact of the Strategic Initiatives component with regards to improving the sustainability and resilience of arts and heritage organizations. Some initial examples of success were illustrated in the information obtained through the survey and case studies. Five out of seven organizations surveyed which received funding through this component of CCIF noted that the funds helped them to improve their organizational capacity and governance, improve marketing and business practices, and increase the strategic use of new technologies to support business practices. In addition, a few survey respondents reported increased financial self-sufficiency and stability as well as increased revenue diversification through partnerships. The case study of the 'artsVest' program, delivered



by the Council for Business and Arts in Canada, found that the multi-year CCIF funding generated positive economic impacts for over 123 arts and heritage organizations across Canada. From April 2011 to September 2012 artsVest provided 123 cultural organizations with matching funding, and partnered cultural organizations with 461 businesses, of which 320 were first-time business partners and 141 were long-term sponsorships. This is a 140% increase in the average number of organizations that artsVest had given matching funding to per year prior to 2011. Over the year and a half of expansion, the program generated \$1.9M in new private sector investment from \$840K in matching funds, thus increasing their capacity to leverage private donations into the future.<sup>49</sup>

***As a result of the Endowment Incentives component, private sector donors invested \$1.50 for every dollar invested by the federal government, creating more than \$207 million in endowment funds across Canada. In the five years covered by the evaluation, 57 grants were provided to establish new endowments and 366 grants were provided to expand existing endowments.***

To encourage greater involvement of the private sector in the cultural affairs of the community, the Endowment Incentives component provides matching funds of up to one dollar for every dollar raised from private donors to create new endowment funds or to expand existing endowment. This component incited more than \$125 million in donations from the private sector between 2007-08 to 2011-12, which when matched with more than \$82 million in federal grants, added \$207 million dollars to endowment funds across Canada. On average, the private sector invested \$1.50 dollar for every dollar invested by the federal government. On a per private sector dollar basis, the level of the matching funding provided by PCH varies from year to year depending upon the availability of funds and the number of successful applicants. The level of matching funding provided by the federal government dollars ranged from a low of \$0.52 for every dollar in private sector funding to a high of \$0.82 over the five year period of the evaluation.<sup>50</sup>

Of the funding that was raised from the private sector, 46% was contributed by individuals, 18% by private corporations, 18% by foundations, 9% by beneficiary arts organizations, 6% from public corporations, and 2% by other sources.

In the five years covered by the evaluation, 423 grants were awarded including 57 grants which were awarded to organizations participating for the first time and 366 grants provided to organizations which were previously funded for an existing endowment.

In 2008-09, the Stratford Festival was the first organization to reach the lifetime maximum amount of \$10 million and, in 2011-12, the National Ballet of Canada also

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49 According to the Program representatives it is estimated that from 2011 to 2013 artsVest National Phase I will have generated approximately \$3.9M in private sector sponsorship and result in an influx of approximately \$6M to the cultural economy. It will have provided 42 full-day and half-day sponsorship training workshops to local arts and heritage organizations and have created partnerships between approximately 754 local businesses and 286 arts and heritage groups across the country.

50 Note that the ratio reached 100% in 2012-13.

reached its lifetime maximum amount.<sup>51</sup> In the Budget 2013, the federal government announced that the amount of funding an arts organization can benefit from, over the life of the program, will increase by 50% from a maximum of \$10 million to \$15 million. According to Economic Action Plan 2013, this will help “ensure that large arts organizations such as the National Ballet of Canada, the Orchestre symphonique de Montreal, the Banff Centre and the Stratford Festival can continue to demonstrate leadership in building private sector support.”<sup>52</sup> Funding to the program itself has not been increased, which means that the matching ratio may decrease somewhat as organizations with larger capacity to raise funds return to the pool of recipients. To address this challenge, the program reduced the annual maximum amount eligible for matching that can be requested by the organizations that have reached \$10 million from \$2 million to \$1 million.

***The Endowment Incentives component has had a significant incremental impact on the capital held by the arts sector and, therefore, its stability.***

A total of 163 arts organizations participated in the Endowment Incentives component since its inception in 2001-02 to 2011-12. Over this 11 year period, the matching contributions of \$140 million from the federal government leveraged \$199 million in donations from the private sector to expand the value of endowment funds held in arts organizations across the country by \$339 million. A return of 4% on this funding would provide \$13.5 million in investment income annually to the arts organizations (an average of \$85,000 per organization), which could be used to offset the cost of operations or be recapitalized for the future<sup>53</sup>.

Of 13 organizations in the survey who were recipients of the component, most (85%) indicated that participating in the component had increased their organization’s self-sufficiency and stability. About two-thirds noted that the federal Endowment Incentives increased the value contributed by individual Canadians and the business sector. A few organizations noted that the endowment fund has become a significant revenue source for their organization over time and that government incentives are a valuable tool when seeking to raise money from other donors.

The positive impact of the component was demonstrated in the case study of the Winnipeg Foundation, a community foundation that manages over 2,500 endowment funds. For example, over the 2007-08 to 2011-12 periods, the Foundation received \$762,000 in CCIF Endowment Incentives grants for the Winnipeg Centennial Folk Festival, the Winnipeg Symphony Orchestra, and Plug In Inc. These matching funds increased the endowment value of these organizations by more than \$1.8 million, which is 70% greater than would have been possible without the CCIF.

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51 CCIF: Presentation Arts Policy Branch - Cultural Affairs, July 2012 (slide 5)

52 Canada’s Economic Action Plan: Canada Cultural Investment Fund: Endowment Incentive: <http://actionplan.gc.ca/en/initiative/canada-cultural-investment-fund-endowment>

53 Ontario Arts Foundation estimated that in any one year the annual real rate of return may vary above or below 5% (Ontario Arts Foundation Investment Policy Statement, Building a Foundation for Arts, October, 2013). Other estimates range from 2 to 4%.

***Other components of CCIF have helped to sustain cultural activities at the local level and assisted a few organizations to avoid bankruptcy.***

As part of Budget 2012, the Cultural Capitals of Canada component of the CCIF was cancelled. The Cultural Capitals of Canada designations of 2012 were the final communities to receive awards and this component was closed on March 31, 2013. The Cultural Capitals of Canada component recognized and supported Canadian communities that had a record of fostering arts and culture in community life. Each year, communities could apply to become one of up to five communities designated as a Cultural Capitals of Canada. Over the final five years of the program, 17 designations were awarded to Canadian communities. In addition to the designation, the 17 communities received \$19.2 million in funding under the Cultural Capitals of Canada component to support local activities which was combined with \$5.4 million in funding contributed by the communities. Over the five year period, the 17 communities reported 276 cultural activities, of which performing arts productions (57 activities), culinary arts programs (37), cultural planning tools (32) and festivals (31) were most commonly reported.

Only two arts organizations received funding through the Limited Support to Endangered Arts Organization Component in the five years covered by the evaluation. The total amount of funding approved was \$225,000. Since its inception, the component has funded five recipients. Four of the five organizations funded developed a viable business plan, received financial support, avoided bankruptcy and continue to operate today.

***The CCIF current components are meeting the needs of clients and contributing to greater economic resilience and sustainability in the sector.***

Funding recipients under both components of CCIF expressed satisfaction with the programming overall (67% of CCIF Endowment Incentives recipients and 87% of Strategic Initiatives recipients were very or somewhat satisfied) as well as with the objectives (84% of Endowment Incentives recipients and 76% of Strategic Initiatives recipients were very or somewhat satisfied) and the eligibility criteria (75% of Endowment Incentives recipients and 63% of Strategic Initiatives recipients were very or somewhat satisfied).

Organizations that received funding under the Endowment Incentives and the Strategic Initiatives components reported that the programs are each contributing to self-sufficiency, resiliency, and stability through facilitating further diversification in the revenue streams. Key informants further highlighted the impact of the CCIF, particularly the matching funding requirements, in fostering long-term partnerships between foundations and arts organizations, encouraging donor investment and the growth of arts organizations, and diversifying revenue streams.

The Administrative Data indicates that the organizations which received endowment funding have made significant progress in diversifying their revenue streams. On average, the organizations that received funding under the Endowment Incentives component from 2007-08 to 2011-12 reported that 46% of their revenues consisted of earned revenues, 24% came from the public sector, 22% from the private sector, 2% from investment revenues (an average of \$115,000 per organization) and 6% from other sources.

### **3.2.2 Achievement of Common Long Term Outcomes**

The suite of programs under review has generated significant impacts on the organizations supported, the communities and people involved, and the economy overall. Many key informants and experts agreed that the programs work well together to achieve the long term outcomes for organizations, communities, the economy and all Canadians. A particularly strong link was noted between CAPF and CCSF with respect to increasing the access of Canadians to arts and heritage experiences. Key informants noted that the programs provide a healthy mix of diverse supports, with the individual programs complementing each other by focusing on different aspects of support for arts and heritage organizations. Many clients benefit from more than one program. For example, of the 342 organizations that have received CCSF funding during the five years cover the evaluation, 25% also received CAPF funding.

***The evaluation findings demonstrate the collective impact of the programs on the resiliency and sustainability of arts and heritage organizations, community engagement, and the economy.***

Although it is difficult to assess the extent to which the achievement of the long term outcomes can be attributed to any one PCH program, the evaluation findings clearly illustrate the impact of the federal support provided through these three programs in terms of increasing the resiliency and sustainability of arts and heritage organizations, increasing community engagement, and contributing to a stronger and more innovative Canadian economy.

The three programs evaluated have, through their various components, contributed to the resiliency and sustainability of the arts and heritage organizations by:

- *Increasing organizational capacity to run facilities and generate revenues.* Key informants and panelists noted that all three programs have contributed to this outcome. CAPF was identified as contributing to the core funding of organizations and helping them to increase the number and diversity of shows, which in turn increased their revenues. CCSF helped build and improve facilities, and increase revenues. Finally, CCIF contributed to diversification of the revenues and more effective use of management tools and technologies. One-third of all recipients surveyed reported that they were able to achieve more than they expected as a result of funding from this suite of programs. Most of CCSF funding recipients (91%) indicated that funding significantly or somewhat assisted their capacity to generate revenues, and 17% reported that CCSF funding resulted in reduced operating costs (e.g. supported renovations which contributed to energy savings). In the case study of the three organizations located in Quartier des Spectacles, in Montreal, funding provided by CCIF was used to develop a mobile phone application which, in turn, increased online ticket sales by more than 26,000 in 2011. Ninety percent of the organizations surveyed reported that the support provided by PCH increased their capacity to generate revenues (more ticket sales, increased rental income) and improved the overall financial health of the organization.

- *Contributing to professionalization of the sector* – A large majority of arts support organizations surveyed (77%) indicated that CAPF helped them to increase the number of arts presenters, while 65% of arts presenters indicated that the fund helped to improve presenting conditions for artists. About one-third of CCSF funding recipients surveyed indicated that the funding helped them to improve administrative efficiency. In the case study of the Golden District Arts Council, CAPF funding improved the efficiency and effectiveness of administration, including HR and bookkeeping practices, as well as the planning and delivery of the Council activities including its annual art series.
- *Diversifying revenue base* – Key informants indicated that CCIF has helped organizations to improve their business and management practices and diversify their revenue base while CAPF has supported organizations in providing new and diverse programming and helped them to keep up with technological changes that improve their efficiencies and performances. CCSF, by its design, requires arts and heritage organizations to involve other funding partners in supporting the projects (CCSF commonly funds only up to 50% of a total project costs). Through feasibility studies, organizations are required to show that they have engaged other funders and that their revenues from these other sources are stable and sufficient to support their operational costs. The PCH funding was instrumental to organizations in being able to access funding from other sources; of the 90% of surveyed organizations that requested and received funding from other sources, most (between 60% and 80% depending of the source of funding) indicated that the funding from the PCH program somewhat or greatly impacted their ability to obtain the funding from other sources.

The programs have contributed to community engagement across Canada. According to the Phoenix Survey (2012), Canadians engage in arts and cultural events not only by attending them, but also by being personally involved (57% of respondents said they made donations or were otherwise engaged in the creation of arts). Projects funded through the three programs have had a direct impact on community identity, vitality and engagement across Canada. Expert panelists talked about the important contribution of the programs in ensuring access to professional art and heritage experiences to Canadians outside of large urban centres. All of the arts support organizations surveyed (22) indicated that CAPF helped them broaden their reach to include arts presenters in rural or remote areas, volunteer-run presenters, emerging or established presenters, or specialized or multi-disciplinary presenters.

Key informants also noted that community stakeholders are encouraged through the programs to form partnerships, engage and donate to art and culture. In addition to participating in arts and culture activities, funded projects engage private citizens through volunteering. Of 340 funded arts organizations surveyed, all but one organization reported having volunteer employees. About two-thirds of CAPF recipients surveyed

reported that they were able to attract more volunteers over the past five years, of which 54% attributed this increase, at least in part, to the funding received through CAPF.<sup>54</sup>

The programs have contributed to a stronger and more innovative Canadian economy. The arts and heritage sector is a significant contributor to Canadian economy. The Culture Satellite Account (CSA) estimated that live performances and heritage alone contributed \$3.1 billion in GDP to the Canadian economy in 2009.<sup>55</sup> The Arts Policy suite of programs has contributed to economic growth by:

- *Supporting organizations which create jobs for thousands of Canadians.* According to the Administrative Data Review, the CAPF recipients reported paying about \$265 million in fees to Canadian artists between 2007-08 and 2011-12. The survey of CAPF recipients shows that 42% of the organizations increased their number of staff over the past five years, and almost half (48%) attributed that increase, at least in part, to the funding provided through CAPF. About one-third of recipients of CCSF funding reported having hired more staff as a result of the funding, and a large majority (83%) indicated that increased staffing had a positive impact on the facility.
- *Stimulating innovative and diverse local economies.* Over half of arts presenters and 70% of arts support organizations surveyed reported that they were able to introduce new artistic disciplines or new genres within a discipline as a result of receiving CAPF. Key informants noted that, as a result of CCIF, organizations have been able to implement innovative strategies to build endowments and ensure that the sector is strong economically. The case study of the Golden District Arts Council determined that PCH support for their annual art series generated significant economic impacts through increased tourism, thereby diversifying the local economy and reducing their reliance on natural resources.

***The assistance provided by CAPF, CCSF and CCIF funding has also increased the capacity of arts and heritage organizations to offer arts and heritage experiences to underserved groups.***

The participation of Canadians in arts, culture and heritage activities reached record levels in 2010, when virtually all Canadians aged 15 or older (99.7%, or 28.0 million people) participated in at least one of the 18 arts, culture or heritage activities. According to the 36th report in the Statistical Insights on the Arts series from Hill Strategies Research, there was a substantial increase in the percentage of Canadians participating in most of the 18 activities between 2005 and 2010. The Value of Presenting (2012) suggests that three out of every four Canadians attended a performance in the past year. Yet, a small minority of Canadians reported that they have never attended a professional performing arts event; in comparison to those who participate, these Canadians are much more likely to live in rural areas or Atlantic Canada and earn less than \$40,000 annually. This suggests that issues of availability and affordability continue to be a barrier for a

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54 17% of respondents attributed the increase in number of volunteers to a great extent to CAPF and 37% attributed the increase to some extent to CAPF.

55 Culture Satellite Account – Official Figure and Guidelines (Ver. 2, 31 July, 2013), pg.3

small number of Canadians. Without federal government support for programs such as CAPF, CCSF and CCIF these issues are likely to become more prevalent.

The programs contribute to the ability of organizations to offer programming to official language minority groups. The available data understates the extent to which projects funded under the three programs benefit official language minorities. For example, 13% of the CCSF funded projects reported benefitting official language minorities; yet, the program representatives indicate the impact is much greater in that many of the CCSF funded projects were not intended specifically to serve official language minorities but have made spaces available for programming that serve these minorities on an intermittent, part-time or as needed basis.

In addition, one-third of CAPF recipients reported reaching out to official language minorities (28% of CAPF development component projects and 35% of programming component identified an official language minority audience as an underserved audience they would reach) and 2% of all CCIF funds were dedicated to official language minorities. About half of recipients of CAPF funding that were surveyed, including both arts presenters and arts support organizations, indicated that the funding helped them to increase the number of artists presenting from official language minority communities.

***The funding provided by the programs is incremental in that most funded projects would not have proceeded, at least with the same scope and timing, without the support provided by PCH.***

Thirty-four percent of survey respondents from funded organizations reported that, without CAPF, CCSF or CCIF funding, their projects or activities would not have taken place, 43% said that the projects would have gone ahead but on a reduced scale, and 12% reported that the projects would have been delayed. Key informants also indicated that, without the funding provided by these programs, arts and cultural programming in Canada would become less accessible, diverse, and sustainable.

### **3.3 Performance—Efficiency and Economy**

Under the Treasury Board Policy on Evaluation (2009), efficiency is defined as the relationship between the resources used and the outputs produced.<sup>56</sup> According to the logic models, the activities of all three programs include the review and assessment of applications (which can be measured by the number and type of applications reviewed and the costs of delivering the programs) while the primary output of each program is the allocation of funding (which can be measured by the number of projects funded and value of grants and contributions awarded). Economy reflects the relationship between resources used and the outcomes generated.<sup>57</sup> The nature of the outcomes generated varies by programs.

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<sup>56</sup> The extent to which resources are used such that a greater level of output is produced with the same level of input or, a lower level of input is used to produce the same level of output

<sup>57</sup> Economy is achieved when the cost of resources used approximates the minimum amount of resources needed to achieve expected outcomes)

The following section summarizes evaluation findings related to the efficiency and economy of programs.

***Since the time of the previous evaluation, the Arts Policy Branch has implemented a variety of strategies which improved the efficiency of these programs.***

The actual administrative cost incurred by PCH for management and delivery of the three programs totalled approximately \$48 million from 2007-08 to 2012-13, which represents 9% of the combined expenditures for the three programs. The administrative costs varied by program from \$13.6 million for CCIF (representing 9% of the total CCIF expenditures) to \$14.6 million for CCSF (representing 7% of the program expenditures) and \$19.9 million for CAPF (representing 11% of the program expenditures). The administrative costs of the three programs compare favourably with the administrative ratios of similar programs such as Building Communities through Arts and Heritage (16%) and Celebration and Commemoration Canada (19%).<sup>58</sup>

As a percentage of the total program expenditures, the overall administrative cost of the three programs was reduced from 16% during the term of the previous evaluation (from 2001 to 2007) to 9% over the last six years. As illustrated in the following table, the administrative cost was reduced for CAPF (from 23% to 11%) and CCIF (from 16% to 9%).

**Table 5: Administrative Cost of the Three Programs, 2007-08 to 2012-13**

<b>Programs</b>	<b>Administrative Cost</b>	<b>Total Program Expenditures</b>	<b>% of Program Expenditures</b>	<b>Previous Evaluation<sup>59</sup></b>
CAPF	\$19,894,353	\$187,138,422	11%	23%
CCSF	\$14,364,918	\$204,519,922	7%	8%
CCIF	\$13,642,834	\$156,535,448	9%	16%
<b>Total</b>	<b>\$47,902,105</b>	<b>\$548,193,792</b>	<b>9%</b>	<b>16%</b>

The program staff implemented a variety of strategies to reduce the administrative costs of the programs, including:

- Implementation of the Grants and Contributions Modernization Initiative (GCMi). Canadian Heritage is implementing innovative measures to simplify, standardize and streamline its grants and contributions business processes, particularly for programs with high application volumes. CAPF was one of four programs participating in the piloting of the initiative. CCIF Endowment Incentives and CCSF will be part of GCMi for its 2013 applications.
- The introduction of multi-year funding cycles, which has reduced the number of CAPF applications processed annually. As a result, the number of applications for CAPF decreased from a high of 701 in 2009-10 to 508 in 2011-12 which reduced the time needed to process applications, while the number of organizations or projects funded remained relatively stable over the years.

<sup>58</sup> Administrative ratios of those 2 programs are based on fiscal year 2010-11.

<sup>59</sup> Previous evaluation of CAPF includes period from 2001-02 until 2006-07, and CCSF and CCIF includes period of 2001-02 to 2007-08



- Implementing changes to the CCSF to improve program data tracking and understanding of regional priorities and funding environment.
- Restructuring CAHSP resulting in a newly design CCIF. Fewer applications with larger impacts are now funded, which contributes to the economy of the program. The central delivery of CCIF program is perceived as effective and appropriate. The newly configured program resulted in an adjustment to the budgets of regional offices as one of the discontinued components had been delivered regionally. As a result, the administrative ratio of the program decreased from 13% in 2007-08 and 2008-09 to 6% in 2010-11 and 2011-12.
- Internal deficit reduction exercise at Canadian Heritage was a major driving factor in the reduction of the programs' administrative costs. In combination with other measures this exercise has helped significantly reduce cost for CAPF and CCIF.
- Sharing staff resources between CCSF and CAPF. Both programs are managed under the same director in most regional offices. Regional staff may work on either CAPF or CCSF applications, depending on the volume of applications. Of total 57.65 regional FTEs, 37.5 are allocated to CAPF and 19.80 to CCSF.<sup>60</sup>

***Management and administrative costs per application reviewed and project funded varies across the three programs and over time, reflecting differences in the characteristics of projects funded, the level of demand, and the structure of the application review processes.***

As illustrated in the following table, the total management and administrative cost of the three programs averaged about \$8,400 per application received and \$10,600 per project funded over the six years. It should be noted that these costs are not limited to the costs of reviewing applications but rather include all the costs associated with program management and delivery including various activities undertaken at national level such as policy development and implementation, planning, oversight and reporting as well as activities undertaken at the regional level such as processing applications, monitoring, outreach, and development of Regional Investment Strategies. Data was not available on the distribution of administrative costs by function at the time of the evaluation.

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<sup>60</sup> In 2006-07 there were 40 FTE allocated to CAPF and 23 FTEs allocated to CCSF

Table 6: Average Total Administrative Cost Per Output, 2007-08 to 2012-13

Programs	Number of Applications	Number of Projects Funded	Administrative Cost (total 6 years)	Cost per Application	Cost per Project Funded	Average funding amount
CAPF	3,570	3,068	\$19,894,353	\$5,573	\$6,484	\$54,512
CCSF	887	540	\$14,364,918	\$16,195	\$26,602	\$352,139
CCIF <sup>61</sup>	1,276	895	\$13,642,834	\$10,692	\$15,243	\$159,657
<b>Total</b>	<b>5,733</b>	<b>4,503</b>	<b>\$47,902,105</b>	<b>\$8,356</b>	<b>\$10,638</b>	<b>\$111,102</b>

The administrative cost per application received varies across the programs, ranging from about \$16,200 for CCSF to \$10,700 and \$5,600 and for CCIF and CAPF respectively while the administrative cost per project funded ranged from \$26,600 for CCSF to about \$15,200 and \$6,500 for CCIF and CAPF respectively. Two factors that influence the average cost are the level of demand relative to the funding available and the type, size and complexity of projects.

With respect to the level of demand, all three programs are influenced by the number of applications received relative to the number of projects approved.<sup>62</sup> An increase in the number of applications received in a year can result in an increase in the resources (e.g. staff time and effort) required to review, assess, prioritize and make recommendations on the applications. Nevertheless, the number of projects funded may not change given that the level of grants and contributions funding available is fixed. As such, all other factors being equal, programs or program years with lower approval rates (e.g. higher refusal rates) tend to have lower costs per application received and somewhat higher costs per project funded. The highly competitive CCSF (particularly the construction and renovation components) tends to have a cost per project funded which is significantly higher than the cost per application because the number of applications and approval rate is low relative to the other programs. For example, from 2007-08 to 2011-12, 58% of the construction and renovation component applications became funded projects (27% of applications were not successful and 15% were deemed ‘not proceeding’).

The type and size of projects also influences the costs per application and project approved. Larger project applications tend to be more complex (e.g. involve large number of partners), carry a higher level of risk, and require more information, time and resources to administer. For example, construction and renovation projects will require more time and effort not only to be processed and approved on regional and national level, but also require more monitoring and oversight efforts than, for example, a feasibility study. The increased per project cost of larger projects can be offset by the possible economies associated with funding fewer numbers of projects. As such, the CCSF has a higher cost per application and project funded than do the other programs and had low administrative costs as a percent of the program budget.

<sup>61</sup> Note that this analysis includes years prior to the changes to the program (CAHSP years). CAHSP included regional delivery, while CCIF is delivered entirely from PCH headquarters in Gatineau.

<sup>62</sup> The efficiency of Endowment Incentive is least likely to be affected by the number of applications because it is a formula based program.

***Application processes and decision times vary across the programs and are influenced by different factors.***

The application process and decision structure differ across the programs (the application and decision process for each program is described in Appendix E), particularly between CAPF/CCSF and CCIF, although final decisions on all applications are made by the Minister or Delegated Authority. Generally, programs that use multi-layered decision making structure (regional and/or national and Ministerial) tend to have longer application decision times. For example, in 2011-12, decisions were made on 80% of CAPF applications within 236 days from the application deadline date. The overall application processing time for CAPF applications is beyond the service standard timelines of 26 weeks noted in the program's application guidelines. While funding decisions were made within the 12 month established service standard timelines for CCSF construction and/or renovation funding applications, decisions were made on 80% of CCSF specialized equipment and feasibility studies applications within 272 days from the application submission date, which is beyond the 6 months established service standard timelines.

Application decision times for only nationally delivered programs are influenced by different factors. For example, decisions on 80% of applications under the Endowment Incentives (which utilizes a formula based application process) are made within 116 days from application deadline date and respect the established service standard timelines. The smaller Strategic Initiatives component of the CCIF involves a two-step application process (submission of a letter of intent followed by a full application) which contributes to much longer decision timelines. It requires an average of 400 days, for 80% of Strategic Initiatives applications (from the date the program receives the letter of intent), to receive the funding decision on the full application.<sup>63</sup>

Many clients expressed dissatisfaction with the overall decision times. The survey of funded organizations shows that Strategic Initiatives applicants were those least satisfied with the timing of the application process (half of the 8 applicants surveyed were dissatisfied) whereas a third of CAPF and 28% of CCSF applicants were very or somewhat dissatisfied, and only one respondent (out of 12) was somewhat dissatisfied with the Endowment Incentives timelines. Over 20% of surveyed organizations suggested that approval times be shortened and the process more transparent.

***There may be opportunities to further improve efficiency by refining the delivery models and continuing to make improvements to reporting requirements in support of the performance measurement results.***

Most key informants argued that regional delivery is appropriate for both CAPF and CCSF, noting that regional delivery enhances effectiveness (e.g. ability to better respond to regional needs) and delivery (better customer service). However, key informants acknowledged that the management structure (i.e. regional and national decision-making

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<sup>63</sup> Decision timelines are based on GCIMS extract provided by the program area. GCIMS does not capture the data in such a way that would permit us to determine if the CCIF Strategic Initiatives Component meets the established service standard timelines as it is a two-step application process.

process) can impact on efficiency by extending application processing and approval times, raising costs, and creating greater potential for overlap in monitoring and reporting. Key informants suggested that there may be opportunities to reduce resource requirements and timelines while maintaining the benefits of regional delivery by devolving greater responsibility to the regions. For example, CCSF could consider devolving full authority to make recommendation on smaller value, lower-risk applications to the regions where the rejection rate has been very low (e.g. regional recommendations are accepted). The Building Canada Fund, delivered by Infrastructure Canada, is an example of a two-tiered delivery model; large-scale projects are delivered nationally whereas a regional delivery model is used for the smaller community component where knowledge of the regional context is considered instrumental. Decisions on projects, such as CCSF specialized equipment and feasibility studies projects that are low in risk, could be made regionally within nationally established guidelines and funding levels.

The level of reporting and monitoring can add to the administrative costs and negatively affect efficiency of the programs. It can also create a barrier to access for new and emerging organizations not familiar with the process. Key informants interviews and survey findings suggest that CAPF application and reporting requirements are onerous, particularly when only small amounts of funding are provided.<sup>64</sup> About 20% of surveyed beneficiaries, who provided final comments, suggested that reporting requirements are too many, the forms are too long, and the requirements do not reflect the value of the funds received by some organizations. Case study participants also noted that the forms and requirements are the same regardless of the type of activities or the size of the projects (small and very large projects have the same applications and reporting requirements). Some surveyed organizations suggested that applications and reporting forms do not match their activities (it was suggested that forms should vary depending on the type of programming involved such as festivals versus performing arts series) and are not standardized with the information required by other funders (e.g. financial requirements). There is a need to review the information requirements, assess the applications and reporting forms for redundancy in required information, and explore opportunities to share information across PCH programs and, where possible, with other partners.

### **3.4 Performance Measurement Strategy**

The programs made some improvements to the logic models and performance measurement strategy in response to the recommendations of the previous evaluation. Opportunities for further improvement were identified based on a review of the existing models and strategies, a review of the data available to support the evaluation, and feedback from key informants. The following are the areas related to the PMS that require additional consideration:

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<sup>64</sup> 5 of the 18 key informants that offered comments on more economical models suggested reducing the CAPF reporting burden. None of the 18 made similar comments on the other two programs. In the survey, 18% of responses in the final questions were specifically negative about CAPF application and reporting burden. In comparison, less than 2% made a negative comment about CCSF or CCIF.

- The existing logic models are presented simply with well-defined activities, outputs and outcomes. However, the logic models do not reflect the full range of activities associated with management and delivery of the programs (at present, the only activities included in the logic model relate to the review, assessment and development of recommendations on applications). In addition, while the components of the various programs are listed in the logic models, there is no attempt to show the relationship between each component and the intended immediate and intermediate outcomes.
- The performance indicators defined in the PMS are measurable, relatively few in number, and broadly related to intended outcomes. A few issues were identified regarding the Strategy related to the appropriateness of the intended outcomes which are measured, a tendency to focus more on project counts than on the resulting impacts on organizations or communities, the extent to which some indicators are a sufficient measure for certain outcomes (e.g. using indicators related to partnerships and participating organizations to comment on the outcome, “Presenters undertake their activities within a healthy Canadian presenting environment”), and the absence of well-defined baseline data that could be used to track progress and outcomes over time.
- There are no efficiency measures<sup>65</sup> incorporated into the PMS for the three programs and no data is available on an on-going basis that can be used to track actual administrative expenditures or review of applications/recommendations at the regional or national level or on policy development, partnership development, etc.
- There do not appear to be issues with respect to the quality or reliability of data collected by programs, with the exception of some project reporting data. More specifically, some of the data used to monitor the performance of CAPF is collected through final reports and, in some cases, was not consistently reported across the organizations, not provided at all, or was incomplete or received late. A few key informants also noted inconsistencies in how the data is entered into the system (amount of data entered as well as variations in categorization definitions of different data fields).

## 4. Conclusions

The following section summarizes the major conclusions related to relevance, effectiveness, efficiency and economy.

### 4.1 Relevance

- There is a continuing need for federal government support to arts and heritage sectors provided through the three programs.
- The Programs are aligned with federal government and PCH objectives and priorities.

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<sup>65</sup> Note that while this is true for the period covered under the evaluation, the programs began piloting the use of efficiency measures starting in 2013-14.

- Ensuring that all Canadians have access to varied artistic experiences and contributing to the resilience of the Canadian arts and heritage sectors continues to be an important role and responsibility for the federal government.
- While the three programs are responsive to most needs of arts and cultural organizations, the level of funding available requires the programs to regularly make difficult case-by-case decisions on applications. These decisions are becoming increasingly complex as the arts and culture sector becomes more and more diverse.
- Achieving an appropriate balance between funding organizations which have a good record in reaching audiences and, supporting new, innovative and emerging needs for programming and spaces is an ongoing process.
- The pluralistic funding model in Canada allows organizations to leverage funding and diversify revenues which reduce the potential for duplication of programs.
- While there are some similarities between the three programs evaluated and other PCH and federal government programs (shared clients, support for similar expenses), they complement each other by setting distinct objectives, priorities, and/or employing different delivery models. Numerous steps and strategies have been taken to minimize the potential for overlap or duplication.
- There are opportunities to strengthen collaboration and facilitate greater standardization in application and reporting processes and greater sharing of information, particularly in the area of collecting and sharing common financial and statistical data on organizations that apply for funding from the programs.

## **4.2 Effectiveness**

The evaluation focused on the period from 2007-08 to 2012-13. During this time period, the three programs have been effective in achieving their intended outcomes.

### ***Canada Arts Presentation Fund***

- CAPF helps arts presenters offer a variety of professional artistic experiences to Canadians from across the country, including those in underserved communities and segments of populations, and thereby contributes to increased access, engagement and participation of Canadians in arts and culture.
- The projects supported by CAPF contribute to a healthy environment where presenters can share experiences and continue to evolve professionally.
- CAPF helps to increase access to diversity of artistic experiences as well as appreciation of arts amongst Canadians.
- The program monitors, to an extent, whether an appropriate balance is reached between funding projects that attract large audiences and supporting new and emerging organizations that have limited reach.

### ***Canada Cultural Spaces Fund***

- CCSF contributed to new and improved arts and heritage facilities and infrastructure across a variety of disciplines and range of communities, including underserved communities.
- CCSF contributes to increased number and variety of arts and cultural activities and improved access and quality of arts and heritage experiences for Canadians.

### ***Canada Cultural Investment Fund***

- The CCIF current major components are meeting the needs of clients and contributing to greater economic resilience and sustainability in the sector.
- The CCIF Endowment Incentives Component resulted in investment by private sector of \$1.50 for every dollar investment by federal government which together added \$207 million dollars to endowment funds across Canada. The EI have had a significant incremental impact on the capital held by the arts sector and, therefore, its stability.
- The CCIF Strategic Initiatives component contributed to more effective management and business practices.
- Other components of CCIF helped to sustain cultural activities at the local level and assisted a few organizations to avoid bankruptcy.

### ***Achievement of Common Outcomes (all three programs)***

- Collectively, CAPF, CCSF and CCIF, have a major impact on the increased access to arts and heritage, resiliency and sustainability of the sector and the economy.
- In 2010, virtually all Canadians aged 15 or older participated in at least one of the 18 arts, culture or heritage activities. Yet, issues of availability and affordability continue to be a barrier for a small number of Canadians.
- At least 13% of the CCSF funded projects reported benefitting official language minorities; one-third of CAPF recipients reported reaching out to official language minorities and 2% of all CCIF funds were dedicated to official language minorities.
- The three programs have contributed, to various degrees, to increasing organizational capacity to run facilities and generate revenues, contributing to professionalization of the sector, diversifying revenue base. The funding provided by the programs is incremental in that most funded projects would not have proceeded, at least with the same scope and timing, without the support provided by PCH.

## **4.3 Efficiency and Economy**

- The efficiency of the programs has improved since last evaluation. As a percentage of the total program budget, the combined administrative cost of the three programs declined from 16% during the term of the previous evaluation (from 2001 to 2007) to 9% from 2007-08 to 2012-13.
- The program staff implemented a variety of strategies to reduce the administrative costs of the programs, including implementation of the GCMI, introduction of multi-

year funding cycles, redesigning CAHSP (now CCIF), and improving program data tracking for CCSF and sharing of resources between the program regionally.

- The administrative costs per application reviewed and project funded varies across the three programs and over time. Factors impacting efficiency (demand, type and complexity of the applications, multi layered decision making for CCSF) also contribute to the long application decision times.
- There may be opportunities to further improve efficiency and economy as well as reduce application processing times. Many clients expressed dissatisfaction with the overall decision times and the administrative data review confirmed that the application processing times tend to be long and in the case of CAPF and CCSF specialized equipment and feasibility studies applications, exceed the published service standards for funding decision timelines.



## 5. Recommendations

While the results of the evaluation indicate that the program funding has generated the intended impacts, the findings also suggest that the level of funding available is not fully meeting the needs of the arts and culture sector (e.g. eligible organizations are unsuccessful in obtaining funding and the competition for funding is increasing.). As a result, the programs must regularly make difficult case-by-case decisions on applications. These decisions are becoming increasingly complex as the arts and culture sector becomes increasingly diverse; difficult decisions must be made:

- Between large or well-established organizations and newer or smaller organizations;
- Between high visibility/highly attended/profitable events and smaller events or commercially riskier ones; etc.

1. **To respond to emerging needs, CAPF should look for opportunities to reallocate resources to optimize the impact of funding and ensure that new organizations as well as applicants in priority areas have fair access to program funding.**

**Management Response**                      Accepted

The CAPF will examine the distribution of funding across different categories of recipients in consultation with the Regional offices.

**Implementation Schedule**                      March 2015

The programs under evaluation support a large, diverse and constantly evolving group of arts and cultural organizations across the country. Some types of organizations, because of their small size or non-traditional nature, may experience greater challenges in preparing applications for funding, meeting existing requirements or may be discouraged from applying based on their interpretation of published program guidelines. This presents an opportunity to consider potential adjustments to program tools to be able to proactively respond to emerging and future needs. Any changes to address barriers will likely only increase the demand for program funding but should nevertheless be considered. Therefore, it is recommended that.

2. **CCSF should ensure that the program requirements do not present unintended barriers to access for some organizations. More specifically:**
  - i. In order to be better prepared to fulfil emerging needs, CCSF should proactively review the criteria used to define “cultural space” and “professional arts and heritage organization” to reflect the evolving nature of the arts and heritage sector.

**Management Response**                      Accepted

The CCSF will review its program definitions in order to identify any unintended barriers to access to the program which may exist.

**Implementation Schedule**            March 2015

There are opportunities for the programs to improve the experience of clients in the service they receive from the department. Decision times on applications tend to be long and are often difficult for applicants to predict. CAPF does not currently meet the established service standards for funding decision timelines. CCSF projects also miss these targets at times. The CCSF and Strategic Initiatives components have application processes that involve two decision-making layers. Applications and reporting requirements may disadvantage organizations with less administrative resources; the programs should explore options to further streamline these processes, particularly for smaller, less risky proposals from organizations that have applied in the past.

**3. All three programs should explore opportunities to reduce the time required to process files, from the reception of applications to the communication of funding decisions, and to streamline the application process and reporting requirements, particularly for lower risk clients. More specifically:**

- i. CAPF should ensure that the reporting requirements placed on organizations are proportionate to the amount of funding provided and level of risk. Additionally, CAPF should make efforts to reduce the application processing time in order to meet established service standard timelines.
- ii. CCSF should make efforts to reduce timelines inherent in the two-step assessment and recommendation process, particularly for lower-risk applications.
- iii. CCIF should make efforts to reduce the timelines inherent in the two-step application process to the Strategic Initiatives component.

**Management Response**            Accepted

All three programs will review procedures in order to further streamline the application and assessment processes as well as the reporting requirements while maintaining sound program management practices.

**Implementation Schedule**            March 2015

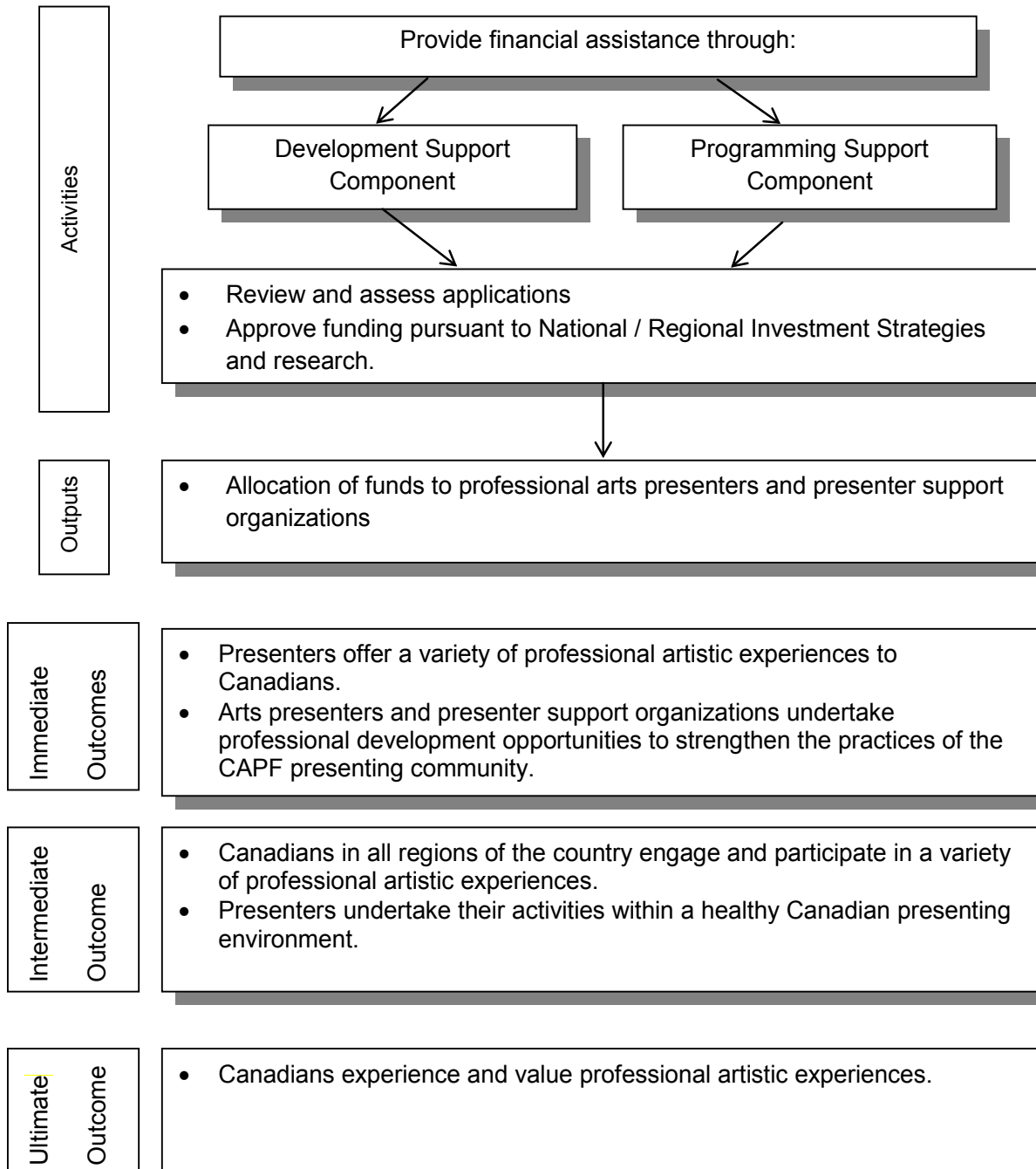
## Appendix A. Discontinued Components of CAHSP

Component	Description
Stabilization Projects	<p>This component provided funding to regionally-based projects that assisted arts and heritage organizations in improving their governance, administration and financial health. The types of assistance provided included technical expertise and funds for the development of working capital reserves and deficit reduction. They all required deficit-free operations over a defined period by a client, in order that clients qualify for funding. Stabilization projects were led by independent, non-profit groups that represented the interests of the larger community through the make-up of their board and through diverse revenue sources. Funding was provided by different levels of government as well as the private sector, thereby achieving a leveraging effect for each partner. The nature of the support was long term and was tailored to individual needs. It was anticipated that arts and heritage organizations which underwent a fundamental review of all aspects of their business stood a better chance of strengthening their operations and becoming more self-reliant and sustainable over the years.</p>
Capacity Building	<p>In contrast to Stabilization, which were long term projects that spanned many years, Capacity Building was designed to support punctual projects. This component provided financial assistance through grants and contributions to arts and heritage organizations that could not access a stabilization project described above to improve their governance, organizational or financial situation. This component ensured that organizations that could not access a stabilization project could still benefit from the program. By providing support to address key areas, such as governance structure, management practices, financial self-sufficiency, and audience development or diversification, it was anticipated that these professional arts and heritage organizations would become more self-reliant and sustainable over the years.</p> <p>Capacity Building provided funding only under both of the following circumstances:</p> <ul style="list-style-type: none"> <li>▪ The financial assistance did not exceed \$25,000 for the project.</li> <li>▪ The project was assessed to be of low risk and materiality.</li> </ul> <p>Capacity Building provided funding under the following circumstances:</p> <ul style="list-style-type: none"> <li>▪ The financial assistance was greater than \$25,000 for the project.</li> <li>▪ Or, the funding request was below \$25,000 but considered to be of moderate to high risk.</li> </ul> <p>The maximum amount of the funding was not to exceed the lesser of the following: 75 per cent of the approved project's eligible cost or \$250,000. Only the minimum amount required was offered to help achieve the program's objectives and expected results in keeping with the TB Transfer Payment Policy.</p> <p>It was anticipated that arts and heritage organizations would increase their self-reliance and improve their planning, organization, finance and govern themselves.</p>

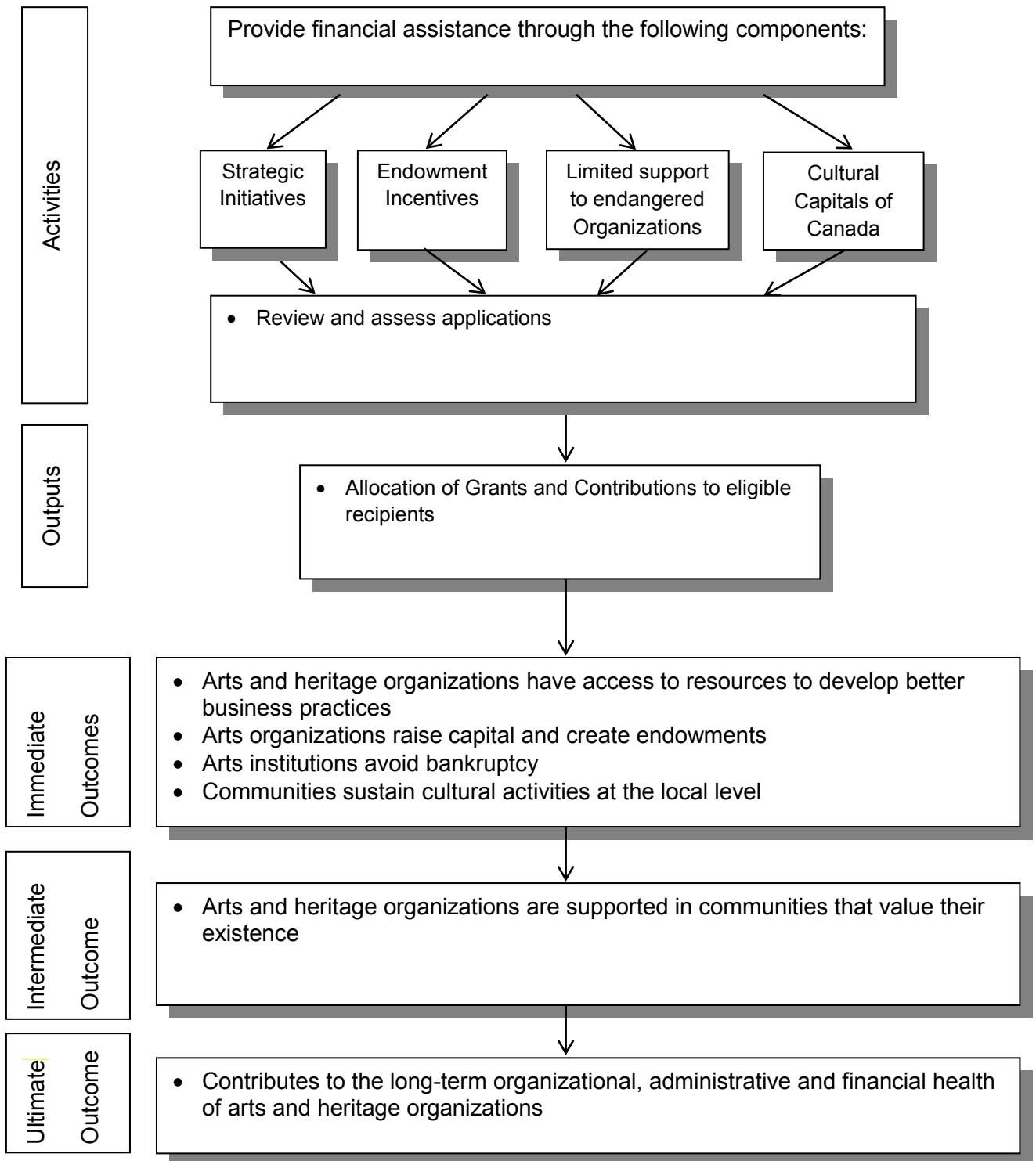
<b>Component</b>	<b>Description</b>
Networking Initiatives	This component supported Canada-wide networking projects whose aim was to develop and strengthen capacity by harnessing the power of artists, the arts and culture to build creative, sustainable and healthy communities. The support came in the form of funding to a maximum of \$500K. Networking projects were national in scope and worked toward building the capacity of participants in at least one of the following areas: 1) Development of cultural policies and action plans at the local level; and 2) Development of strategic partnerships leading to an improved environment for arts and culture at the local level.

# Appendix B. Logic Models

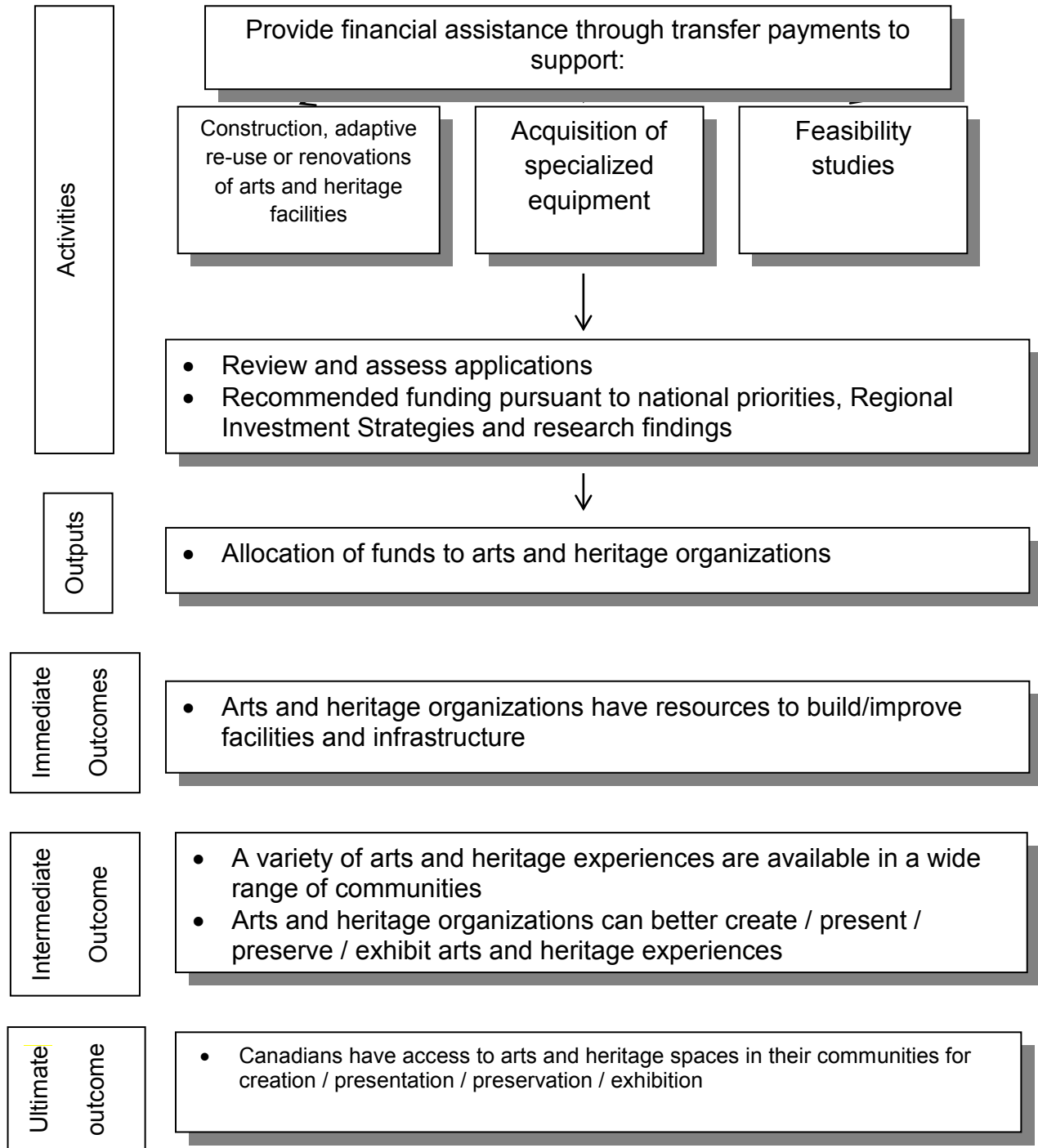
## Logic model of the Canada Arts Presentation Fund



## Logic Model of the Canada Cultural Investment Fund (CCIF)



## Logic Model of the Canada Cultural Spaces Fund



## Appendix C. Evaluation Issues and Questions<sup>66</sup>

Evaluation Issue	Questions
<p><b>Relevance - Issue #1: Continued need for program:</b> Assessment of the extent to which the program continues to address a demonstrable need and is responsive to the needs of Canadians.</p>	<p>To what extent is there a demonstrated need for continued investments to:</p> <ul style="list-style-type: none"> <li>a) Provide access for Canadians to a variety of professional arts and heritage experiences in their communities?</li> <li>b) Ensure resilient arts and heritage organizations?</li> </ul> <p>To what extent is the suite of programs responsive to the demonstrated needs?</p>
<p><b>Relevance - Issue #2: Alignment with government priorities</b> Assessment of the linkages among program objectives and (i) federal priorities and (ii) departmental outcomes</p>	<p>How are the programs aligned with PCH strategic priorities and federal government priorities?</p>
<p><b>Relevance - Issue #3: Alignment with the government's roles and responsibilities</b> Assessment of the federal government's role and responsibilities in delivering the program</p>	<p>Is ensuring that Canadians have continued access to arts and heritage experiences an appropriate role and responsibility for the federal government?</p>
<p><b>Performance - Issue #4: Achievement of expected outcomes:</b> Assessment of progress toward expected outcomes (including immediate, intermediate and ultimate results) with reference to performance targets and program reach, program design, including the linkage and contribution of outputs to results</p>	<p>To what extent have the individual programs achieved their respective expected outcomes?</p> <p>To what extent have the programs had intended or unintended impacts on Canadians, communities and the Canadian arts and heritage sectors (e.g. social, economic, cultural impacts)?</p> <p>To what extent are the results of the individual programs complementary?</p> <p>To what extent do program design and delivery help the programs better achieve their expected outcomes?</p>
<p><b>Performance - Issue #5: Demonstration of efficiency and economy</b> Assessment of resource utilization in relation to the production of outputs and progress toward expected outcomes</p>	<p>To what extent are the programs delivered efficiently?</p> <p>Are there more economical alternatives which would achieve the same results?</p>
<p><b>Issue #6: Section 41 of the <i>Official Languages Act</i>/Impact of programs on official language communities</b></p>	<p>Do the individual programs meet the requirements of section 41 of the <i>Official Languages Act</i>?</p>
<p><b>Issue#7: Validity of the performance measurement strategy</b></p>	<p>Does the performance measurement strategy properly support the evaluation?</p>

<sup>67</sup> \*Exception: once an arts organization has benefited from grants totaling \$10,000,000, then the maximum amount that can be requested for matching in a fiscal year is the lesser of \$1,000,000 or 50% of the average total revenues for the organization's past three completed fiscal years.



## Appendix D. Performance Measurement Matrix for the Three Programs

OUTCOMES	CAPF	CCSF	CCIF
<b>Immediate</b>	<p><b>1. Presenters offer a variety of professional artistic experience to Canadians:</b></p> <ul style="list-style-type: none"> <li>▪ # and % of professional arts presenters funded by discipline across regions</li> <li>▪ Number and percentage of out-of province artists presented</li> </ul> <p><b>2. Arts Presenters and PSO undertake professional development opportunities to strengthen the practices of the CAPF presenting community</b></p> <ul style="list-style-type: none"> <li>▪ # and type of organizations funded for professional development activities</li> <li>▪ # and type of professional development activities provided by funded organizations</li> </ul>	<p><b>1. Arts and heritage organizations have resources to build/improve facilities and infrastructure:</b></p> <ul style="list-style-type: none"> <li>▪ Number of facilities build and renovated</li> <li>▪ Number of specialized equipment purchases</li> <li>▪ Number of feasibility studies conducted</li> <li>▪ Number of new facilities and facilities with increased seating or capacity of exhibition halls</li> <li>▪ Number of facilities with improved technological and safety features</li> <li>▪ Number of facilities with improved disability access</li> <li>▪ Number of facilities with improved environmental and conservation control</li> </ul>	<p><b>1. Arts and heritage organization have access to resources to develop better business practices:</b></p> <ul style="list-style-type: none"> <li>▪ Number of organizations with access to activities and/or tools leading to improved governance, management practises and/or financial self-sufficiency but not limited to:</li> <li>▪ Number and nature of tools developed</li> <li>▪ Level of training provided/made available</li> <li>▪ Number and type of workshops</li> </ul> <p><b>2. Arts organization raise capital and create endowments:</b></p> <ul style="list-style-type: none"> <li>▪ Percentage increase in total amounts of endowment funds</li> <li>▪ Number of endowments created</li> </ul> <p><b>3. Arts institutions avoid bankruptcy</b></p> <ul style="list-style-type: none"> <li>▪ Number of support organizations that are operating after two years from date of funding</li> </ul> <p><b>4. Communities sustain cultural activities at the local level</b></p> <ul style="list-style-type: none"> <li>▪ Number of eligible applications?</li> <li>▪ Number and type of cultural activities from eligible applications</li> </ul>
<b>Intermediate</b>	<p><b>1. Canadians in all regions of the country engage and participate in a variety of professional artistic experiences.</b></p> <ul style="list-style-type: none"> <li>▪ Number and type of communities reached (by population size/urban, rural and remote)</li> <li>▪ Number and percentage of professional arts presenters that reach out to underserved communities</li> <li>▪ Number of volunteers engaged in</li> </ul>	<p><b>2. A variety of arts and heritage experiences are available in a wide range of communities</b></p> <ul style="list-style-type: none"> <li>▪ Diversity of supported projects (artistic disciplines, heritage function, underserved communities)</li> <li>▪ Funded projects service communities in all regional that vary in size</li> </ul> <p><b>3. Arts and Heritage organizations can better create/present/preserve/exhibit</b></p>	<p><b>5. Arts and heritage organizations are supported in communities that value their existence:</b></p> <ul style="list-style-type: none"> <li>▪ Number of new partnership and initiatives</li> <li>▪ Number of maintained partnerships and initiatives</li> <li>▪ Demonstrated community support (for example, private sector, foundations, schools)</li> </ul>

OUTCOMES	CAPF	CCSF	CCIF
	professional artistic activities <ul style="list-style-type: none"> <li>▪ Number and type of outreach activities</li> </ul> <b>4. Presenters undertake their activities within a health Canadian presenting environment</b> <ul style="list-style-type: none"> <li>▪ Number and type of partnership established between presenters</li> <li>▪ Number and type of organizations participating in professional development activities</li> </ul>	<b>arts and heritage experiences</b> <ul style="list-style-type: none"> <li>▪ Number/nature of activities have been maintained and/or enhanced (number, quality, variety, self-reported)</li> <li>▪ Users satisfaction with working spaces and or equipment</li> </ul>	
<b>Ultimate Outcomes</b>	<b>Canadians experience and value professional artistic experiences</b> <ul style="list-style-type: none"> <li>▪ Level of participation of Canadians</li> <li>▪ Level of appreciation of Canadian</li> </ul>	<b>Canadians have access to arts and heritage spaces in their communities for creation/presentation/ preservation and exhibition:</b> <ul style="list-style-type: none"> <li>▪ Level of access of Canadians to arts and heritage spaces in their communities</li> <li>▪ Level of Canadians' satisfaction with their arts and heritage spaces</li> </ul>	<b>Contributes to the long term organization administrative and financial health of arts and heritage organizations</b> <ul style="list-style-type: none"> <li>▪ Strong community support as evidenced by:</li> <li>▪ Diverse sources of funding-number of different sources and amounts of funding</li> <li>▪ Private sector donations</li> <li>▪ Sound governance of arts and heritage organizations as evidenced by:</li> <li>▪ Financial stability of organizations</li> <li>▪ Level of HR capacity as evidenced by:</li> <li>▪ Financial stability of organizations</li> <li>▪ Level of HR capacity as measured, for example, by rates of retention/turnover in key positions</li> <li>▪ Planning practices in place: strategic, succession business and financial plans</li> </ul>

## Appendix E. Decision Processes

The following paragraphs describe the decision making process for three programs:

- CAPF applications are received and processed by the regional offices of the Department of Canadian Heritage and analyzed for eligibility. All eligible applications are assessed using national standard criteria which take into account the CAPF objectives and the past performance of the organization. When prioritizing applications and making recommendations, regional offices take into consideration, among other factors, the variety and number of professional artistic activities available within the region, impact of the projects, and organizational capacity. Recommendations are then sent to the Minister's office for final approval. The Headquarters office reviews and recommends national projects to the Minister's office for final approval.
- CCSF applications are processed regionally and recommendations are then reviewed nationally. Regional officers prioritize projects on the basis of the program's assessment criteria and the extent to which projects address the needs and gaps of underserved communities and groups, such as official language minority communities, Aboriginal communities, and culturally diverse communities. Projects are then submitted to a National Review Committee, which considers the distribution of program funds across the country and the national needs or gaps related to underserved communities and groups.
- CCIF is entirely administered and managed nationally. Prior to CCIF, one component of CASHP was delivered regionally (i.e. the Capacity Building component). The two major components of CCIF are assessed differently. The Endowment Incentives component lends itself well to its formula-based administration. For each arts organization, the maximum amount that can be requested for matching in each fiscal year is the lesser of \$2,000,000<sup>67</sup> or 50% of the average total revenues for the organization's three most recent completed fiscal years. As announced in Budget 2013, starting in 2013-14, once an arts organization has benefited from grants totalling \$10,000,000, then the maximum amount that can be requested for matching in a fiscal year is the lesser of \$1,000,000 or 50% of the average total revenues for the organization's past three completed fiscal years to a lifetime maximum of \$15,000,000. The Department matches the funds raised from donations from private sources up to a maximum of one dollar for each dollar raised, depending on the availability of funds and the number of the successful applicants. The Strategic Initiatives component requires applicants to submit a letter of intent which describes the proposed project, and is rated against various evaluation criteria (relevance of the project, impact, partnership, applicants' ability to carry out the project, and funding). Applicants

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<sup>67</sup> \*Exception: once an arts organization has benefited from grants totaling \$10,000,000, then the maximum amount that can be requested for matching in a fiscal year is the lesser of \$1,000,000 or 50% of the average total revenues for the organization's past three completed fiscal years.

selected through this process are then invited to submit a full application. Funding by the Department may support up to 50% of eligible project costs.<sup>68</sup>

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<sup>68</sup> Under exceptional circumstances, the program may consider increased levels of support up to 75% of eligible project costs.

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