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**JOINT FORMATIVE EVALUATION OF ARTS
PRESENTATION CANADA, CULTURAL SPACES
CANADA, AND THE CANADIAN ARTS AND
HERITAGE SUSTAINABILITY PROGRAM**

Final Report

October 22, 2003

Canada



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Introduction

The Department of Canadian Heritage (PCH) has launched a “joint” formative evaluation of three programs designed to increase Canadians’ access to more diversified cultural, artistic, and heritage choices: the Arts Presentation Canada Program (APC), the Cultural Spaces Canada Program (CSC), and the Canadian Arts and Heritage Sustainability Program (CAHSP).

In 1999, national consultations occurred to identify optimal types of programs to support the needs of arts, culture, and heritage organizations, the level of funding required, and eligibility criteria. As well, *A Framework for the Arts* (2001) confirmed the orientation taken with the Evaluation of the Cultural Initiatives Program (CIP) (refer to Section 3.2.2).

These programs emerged from the 2001 review of arts policy (discussed in more detail below), in which the Department identified a general vision for federal support for the arts and heritage:

- ▶ to increase creation and production of art (Canada Council for the Arts)
- ▶ to increase access (APC, CSC)
- ▶ to assist in improving organizational capacity (CAHSP).

Purpose of the evaluation

The formative evaluation examines the following issues:

- ▶ the adequacy of program design
- ▶ how well the Programs are being implemented
- ▶ progress toward the achievement of expected outcomes
- ▶ whether performance information is being collected and the adequacy of the systems/methods that exist for that purpose.



Evaluation methodology

The joint formative evaluation used several methodologies to collect multiple lines of evidence, including:

- ▶ file and document review
- ▶ key informant interviews
- ▶ surveys of program applicants
- ▶ a survey of contributors to endowment funds
- ▶ a written questionnaire for regions to assess outreach activities to targeted populations
- ▶ case studies of selected projects.

Challenges for the evaluation

After reviewing the options of whether to conduct separate evaluations or to combine them into one evaluation, it was decided to conduct a joint formative evaluation for the three programs as their objectives tend to be complementary and reach the same clientele. Accordingly, management decided to pool resources to undertake a joint formative study. This produced an inevitable compromise in the sense that attention shifted from the design, delivery, and implementation of individual programs to the experience of the Programs in common. However, it offered a cross-fertilization of ideas and information, which is currently used to improve the delivery structure of each program.

This evaluation examines three distinct but complementary programs. These programs have component elements designed to support specific aspects of increasing access, infrastructure, and organizational sustainability. Application procedures vary among the Programs and components, but at the same time, the Programs and components operate in broadly similar ways. They all use a grants and contributions (Gs&Cs) process.

These are relatively new programs, and little time has passed to allow managers and applicants for funding to acquire extensive experience with their operation. Certainly, it is premature to measure outcomes from the Programs generally, although some projects are able to report on outputs and short-term results arising from the funding.

The most important challenge is that information that would allow some discrimination among programs and components did not emerge simply because respondents usually had few relevant details for specific programs and refused to speculate. Collection of more detail to “separate” programs and their components will require managers and participants to acquire more experience.

Program profiles



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PCH has four strategic objectives, and all departmental programs, policies, and initiatives should contribute to these objectives. The first two are particularly relevant to the three programs being evaluated:

- ▶ *Canadian content:* Promoting the creation, dissemination, and preservation of diverse Canadian cultural works, stories, and symbols reflective of our past and expressive of our values and aspirations.
- ▶ *Cultural participation:* Fostering access to and participation in Canada's cultural life.

Evolution of the programs

Government assistance remains essential for the survival of many cultural industries and institutions in Canada, although to varying degrees. The federal government has played, and continues to play, an important role in supporting the arts and culture in Canada. Although federal support continues, the cultural community has experienced the effects of government-wide budgetary restraints, especially during the 1990s.

PCH had been supporting arts presenters and heritage organizations for some years through the Museums Assistance Program, established in 1972, and through the former Cultural Initiatives Program (CIP), established in 1985. The CIP included the three main components: *Component I - Strategic Development Assistance* to improve the viability and effectiveness of cultural organizations; *Component II - Capital Assistance* to increase public access to performing arts, professional visual arts, and heritage collections by providing access to a national network of cultural facilities; and *Component III - Festivals and Special Arts Events* to give the Canadian public the opportunity to appreciate Canadian professional artistic achievements from other provinces and territories.

In May 2001, the Prime Minister announced a major investment of more than \$500 million to ensure the growth and development of Canadian culture. This investment extends over a three-year period and has the following objectives:

- ▶ encourage the growth, development, and diversity of creative work in Canada
- ▶ provide Canadians with the means to protect their built heritage
- ▶ increase the production of Canadian content for the Internet
- ▶ ensure that our cultural industries are able to prosper in the new digital economy and to protect a Canadian voice that is strong and original
- ▶ encourage export of cultural products and services.

Except for the funds to the Canada Council for the Arts, all the programs benefitting from the additional funding are administered by PCH. Among the many programs inaugurated, PCH



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developed APC to target programming, CSC to target physical infrastructure, and the CAHSP to target sustainability of the arts and heritage.

Arts Presentation Canada

APC, which was launched in July 2001, replaces the Festival and Special Arts Events component of the CIP. APC has an allocation¹ of \$72 million over three years. The Program directs its funding to arts presenters to increase and diversify programming offered in communities and to organize audience development and outreach activities. Presenters include arts festivals and performing arts series that range from large and multidisciplinary to small and specific outreach. The Program is designed to contribute to the departmental objectives of access and diversity.

APC has three components:

- ▶ The *Programming Support Component* supports annual and multi-year programming available to arts presenters that produce an arts festival and/or performing arts series and for other initiatives with similar objectives to those of APC.
- ▶ The *Project Support Component* supports non-recurring projects, which add to or diversify eligible arts and heritage organizations' regular activities (e.g., special professional development or networking initiative).
- ▶ The *Development Support Component* supports third parties to deliver grants and provide advice/services to new presenting organizations. This component aims to ensure future growth in the presenter milieu/network and to encourage partnerships with other governments and funders.

¹ Funding allocations include money for salaries and O&M.



Cultural Spaces Canada

CSC replaces the infrastructure component of the CIP and supports the improvement, renovation, and construction of arts and heritage facilities, and the acquisition of specialized equipment.² From 2001 to 2004, this program will allocate \$80 million to arts and heritage organizations, with special consideration given to those that serve under-served communities or disciplines, youth, official languages minorities, and Aboriginal and culturally diverse communities. Non-profit arts or heritage and First Nation organizations, as well as provincial/territorial, municipal, and regional governments, are eligible.

Similar to APC, CSC is coordinated at PCH headquarters and is managed through the Department's five regional offices, with the support of the district offices. Regular consultations occur with the Infrastructure Canada Program (ICP) in regions to ensure complementarity of actions. Both ICP and the Canada Council for the Arts have an observer on CSC's National Review Committee. The Program also consults with provincial/territorial colleagues to ensure complementarity of projects.

Canadian Arts and Heritage Sustainability Program

The CAHSP consists of five components:³

- ▶ The *Stabilization Projects Component* supports arts and/or heritage organizations to improve their management, to build a more solid financial basis, and to connect with their communities.
- ▶ The *Capacity Building Component* helps management/governance-related projects of arts and heritage organizations that cannot access a stabilization fund.
- ▶ The *Cultural Capitals of Canada* component fosters integration of cultural matters in municipal priorities and provides for the possibility of designation of "cultural capitals." Municipalities are encouraged to play a central role in the cultural development of their community by defining and implementing cultural policies and action plans.
- ▶ The *Endowment Incentives Component* seeks to encourage the private sector to contribute to arts and heritage organizations' endowment funds by providing

² Canadian Heritage. (2002). *Cultural Spaces Canada*.
http://www.pch.gc.ca/progs/ecc-csp/index_e.cfm

³ This evaluation, however, examined only two components: Capacity Building and Endowment Incentives.



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matching grants (up to 1:1) for each dollar raised and allocated to the organizations' endowment fund.

- ▶ The *Networking Initiatives Component* provides strategic contributions to national networking projects that develop, improve, and strengthen the environment for arts and heritage in Canada.

Findings

The four main issues for the evaluation guided the research and presentation of findings.

Adequacy of program design

The Programs emerged from a review process in 2001 as a complementary portfolio of support for arts and heritage organizations. The objective was also to remedy what had been a period of fluctuating funding for predecessor programs. By offering programs support to enhance and expand cultural spaces, stabilize organizations, and create incentives to mount new events, PCH hoped to attract new audiences to participate in the arts and heritage.

PCH elected to use the Gs&Cs process to maximize regional and organization flexibility. Key informants and survey respondents were unable to articulate major problems with the design of the Programs. In general, the three programs and their components form a sensible portfolio of support to arts and heritage organizations.

Implementation

Although each program experienced some initial implementation delays, which created a rush of activity once overall funding had been approved, key informants reported that operations are now smoother and as expected.

In general, the processes used in administering the Programs appear to be efficient and effective; however, internal audits are currently underway to confirm that.

The CAHSP also has a third-party delivery component, which has proved successful; however, information on third-party delivery is sparse, largely because key informants could only offer impressions. Once again, internal audits would be needed to respond to this question.

Applicants are generally satisfied with the support from PCH staff. Unsuccessful applicants believe that more information on reasons for rejection should be forthcoming.

Two particular administrative issues emerged:

- ▶ Applications are perceived as difficult and costly to complete.



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- ▶ Decision delays are seen as excessive and, in some cases, financially harmful.

To judge the success rate requires a standard of comparison. For the summative evaluation, baseline and historical data may be useful for each program and component as a way to examine this over time. To make this a meaningful measure, it will be important to track perceived application quality as a way to judge whether the arts and heritage communities are able to provide worthwhile projects. This is a complex issue that needs to be tackled in the summative evaluation. Aside from initial implementation delays and decision delays, the Programs have not encountered unusual difficulties.

The Programs cost between \$0.02 and \$0.25 per \$1 of funds awarded. Whether this is high or low depends entirely on whether cost variations match level of support and capacity building offered to the applicants. The delivery method remains viable, but it would be reasonable for the Programs to link the application and adjudication processes to three factors:

- ▶ size of the award (materiality)
- ▶ experience of the applicant (risk)
- ▶ profile of the project (sensitivity).

This would allow the Programs to balance administrative resource costs with risks associated with a Gs&Cs program.

Progress toward the achievement of expected outcomes

Project reports do contain some outcome measures, such as increased attendance and increased revenues from specific events and infrastructure funded by the Programs. Much of the reporting remains at the activity and output level, largely because the Programs need to be more specific about how to measure outcomes.

Decision delays at the senior level are frustrating applicants, and some reported that this has meant financial hardship and some delay in projects being able to report outcomes at this early stage. No evidence exists of any unexpected outcomes, either positive or negative.

Of the three programs, APC has had the most impact in terms of reaching target audiences. Most respondents agreed that progress still needs to be made in reaching these groups, but they also argued that more progress can be expected as the Programs gain profile.

Performance information and systems/methods of measurement

Two issues need to be addressed to improve the outcome reporting of these programs:

- ▶ First, and most important, each program needs to translate its expected results into concrete immediate, intermediate, and long-term outcome measures. The Results-based Management and Accountability Frameworks (RMAFs) for these programs



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operate at a high level of generality and specify neither measures, nor how the data should be collected.

The RMAFs for all three programs need to also include a more detailed evaluation plan, with fewer and more tractable measures, and a commitment of resources to create baseline and complete ongoing measurement. A key requirement for these RMAFs is to show how outcomes flow from projects, to program, and then to departmental strategic objectives.

- ▶ The second step is to communicate expectations of outcome reporting to recipients. This may mean:
 - creating a guide for measuring outcomes (and convening workshops)
 - specifying the outcomes to be measured as part of the project funding
 - creating a reporting template.

The Programs have not defined baseline data except for general measures of the overall environment (Decima Survey and Cultural Spaces Inventory). These are useful measures of changes in strategic objectives, but the link between project-program-departmental outcomes needs to be made.

As far as can be determined, projects funded by these programs have not generated unexpected outcomes or effects. However, outcome reporting is weak, which is certainly explained by the need to create the operational structure of the Programs in response to rapid announcements of funding. It is not surprising that specification of outcome measurement and collecting performance measures has lagged somewhat. The need for oversight must align with the capacity of organizations to report especially for small awards to small organizations, where the cost of reporting can rival the size of the project.

It is apparent from the case studies that some outcomes related to the expected results are possible to discern. In some cases, audience counts and gate revenues have risen (e.g., Vancouver Playhouse), and, in other cases, new audiences are being attracted (West End Cultural Centre).

Furthermore, the case studies also present a credible attribution line between public funding and project outcomes. The problem is that attribution to PCH financial support is *not* possible because all projects have multiple sources of funding. Delivery partners (provinces, territories, municipalities) and private funders are not included in the outcome measurement loop.

Recommendations

The findings support the following recommendations:



1. Currently, programs demand the same level of details for small and large projects. To balance access to programs and administrative resource costs, an integrated risk management approach should be implemented, linking the application and adjudication processes to the size of the award (materiality), the experience of the applicant (risk) and the profile of the project (sensitivity). Programs should consider providing grants when amounts of funding are small.

Recommendation accepted, in principle

Management will explore options to balance access to programs and diligence through the development of an integrated risk-management approach, while giving due process to the revision of current Treasury Board Terms and Conditions.

Implementation Schedule: Spring - Summer of 2004.

2. The time to process applications for these Programs are within the norms of other PCH Gs&Cs programs. However, the delay is seen as excessive and financially harmful to some organizations. Therefore, the Programs should work with the Department Gs&Cs Centre of Expertise to optimize the administrative processes while respecting accountability requirements.

Recommendation accepted.

Management has already initiated practices supporting this recommendation and will continue to explore methods, with the Centre of Expertise, to optimize the administrative processes while respecting accountability requirements and giving due process to the revision of current Treasury Board Terms and Conditions.

Implementation Schedule: Spring 2004

3. To avoid producing a high number of unsuccessful applicants and creating frustration in the community, the Cultural Spaces Canada Program should consider introducing fixed application deadlines.

Recommendation accepted in principle.

Management of the Cultural Spaces Canada program will explore alternate methods to reduce the high number of unsuccessful applicants and the creation of frustration within the community related to the current process. Consultation will take place with the CSC program's regional officers working group to identify and implement these methods.

Implementation Schedule: Spring 2004 (pending program renewal)

4. Components that require applicants to invest significant resources, such as commissioning architectural studies, should consider a two-stage process where a small grant could be provided to allow for design of a full proposal.



Recommendation not accepted.

The Programs' designs require applicants to have made an initial investment in their projects. As well, costs associated with the development of a proposal become eligible under the programs should the project be recommended for support. Moreover, the program already funds feasibility studies. Nevertheless, management will explore other ways to assist applicants with full proposals for large-scale projects.

Implementation Schedule: N/A

5. Systemic barriers continue to exclude Aboriginal and culturally diverse groups from accessing the Cultural Spaces Canada and the Canadian Arts and Heritage Sustainability Program. Programs should examine whether their application processes are too rigorous and monitor the quality and range of applications to ensure a balance between accessibility and merit of projects.

Recommendation accepted.

Management will continue to explore ways to alleviate systemic barriers experienced by target clienteles by reviewing its programs design and their processes. Consultations with target clienteles will be conducted to discuss options identified.

Implementation Schedule: Spring 2004

6. Different levels of government often serve the same clientele, sometimes for the same activities. Given the success that Arts Councils have had at reaching target populations, implementing active outreach and less onerous applicant processes, every effort should be made to learn from the successes of these organizations. A concerted approach between different levels of government should be encouraged wherever there is a good match in program outcomes.

Recommendation accepted in principle.

Management will pursue a concerted approach with arts councils and other levels of government, and their agencies, on an ongoing basis, guided by a respect for jurisdiction and priorities of the participating partners. A slimmer administrative process, a faster turn-around time, a less onerous application will be pursued by the national office and an active presence in the community will continue to be pursued by regional offices.

Implementation Schedule: Ongoing

7. Performance reporting for all Programs needs to be strengthened by:
 - a) Updating programs' RMAFs and RBAFs. Each Program should translate its expected results into concrete outcome measures; identify fewer and more trackable measures and commit to collect baseline information.



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Recommendation accepted.

Each program will review its RMAF and RBAF to ensure that expected results are translated in concrete outcome measures and that there are fewer and more trackable measures. The programs will explore how the collection of baseline information can be implemented in a reasonable future and as efficiently as possible.

Implementation Schedule: Spring 2004

- b) Communicating expectations of performance reporting to recipients and provide tools such as guides and templates to simplify the task and build capacity.

Recommendation accepted.

Information and tools such as guides and templates relating to performance reporting will be developed and made available to clients following the review of RMAFs and RBAFs .

Implementation Schedule: Spring 2004 (or next program deadline in fiscal 2004-05)



1.0 Introduction

The Department of Canadian Heritage (PCH) has launched a “joint” formative evaluation of three programs designed to increase Canadians’ access to more diversified cultural, artistic, and heritage choices: the Arts Presentation Canada Program (APC), the Cultural Spaces Canada Program (CSC), and the Canadian Arts and Heritage Sustainability Program (CAHSP). These programs emerged from national consultations in 1999 and *A Framework for the Arts* (2001) (discussed in more detail below), in which the Department identified a general vision for federal support for the arts and heritage:

- ▶ to increase creation and production of (Canada Council for the Arts)
- ▶ to increase access (APC, CSC)
- ▶ to assist in improving administrative and financial capacity (CAHSP).

1.1 Purpose of the evaluation

The evaluation is formative in nature and examines three arts and heritage programs. The focus is on design and delivery, as well as identifying any evidence that the Programs are producing expected outcomes.

This joint formative evaluation of three arts and heritage programs will assist program managers to identify:

- ▶ weaknesses in program design and implementation
- ▶ the extent to which objectives and expected outcomes have been realized
- ▶ potential for improvement (e.g., operations, performance measurement systems).

The PCH has also prepared a results-based management accountability framework (RMAF) for each of the three programs. The evaluation and the constituent data collection support the performance measurement identified in each of the RMAFs.

The Department of Canadian Heritage’s Corporate Review Branch in conjunction with an Evaluation Working Group (comprised of representatives from each of the three programs being evaluated and a representative from the Sector’s Planning Group) supervised the evaluation and the work produced by Prairie Research Associates (PRA) Inc.



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1.2 Structure of the report

This evaluation report has five sections, including this introduction. Section 2 presents the evaluation methodologies used in the study, and Section 3 describes the programs being evaluated. Section 4 summarizes the evaluation findings, while Section 5 offers conclusions and recommendations for operational improvement in the programs. As this is a formative evaluation, no recommendations appear on rationale, need, program alternatives, or cost-effectiveness.



2.0 Evaluation profile and methodology

This section presents the approach and methodologies used to conduct the evaluation.

2.1 Evaluation issues

The formative evaluation examines the following issues:

- ▶ the adequacy of program design
- ▶ how well the Programs are being implemented
- ▶ progress toward the achievement of expected outcomes
- ▶ whether performance information is being collected and the adequacy of the systems/methods that exist for that purpose.

The evaluation framework details the issues and questions, which this report answers.

The evaluation also identifies the adjustments that are necessary. Table 1 presents the issues and questions that are the focus of this evaluation.

Table 1: Evaluation issues	
Issue	Question
Adequacy of program design	1. What were the driving forces behind the program design (e.g., the program objectives and expected outcomes, the eligibility criteria and priorities, the structure of the administering authority, paths of communication, method of delivery by third parties)?
	2. Are there some aspects of the program design that are detrimental? If so, which ones?
Adequacy of program delivery	3. Is the program being implemented as expected? If not, why?
	4. Was the implementation of the program delayed by internal or external problems or obstacles? If so, what were they and what changes should be made?
	5. Was the program delivery designed in the most effective, efficient, and economic way for achieving the objectives? Is the time that passes between the receipt of applications and the ensuing decision appropriate? Are there some alternate ways of doing things that would improve program delivery?
	6. If applicable, to what extent is the program delivery by third parties going well? Does this delivery method provide good service to the target clientele?
	7. To what extent are the funding agreements with third parties appropriate in regard to the measurement of performance, the reporting of results, and the roles and responsibilities?
	8. Are the stakeholders (program clients, staff, managers) satisfied with: <ul style="list-style-type: none"> ▶ the amount of support and/or services provided by the program? ▶ the administrative procedures leading to the recommendations that are made? ▶ the time limits for making decisions? ▶ the success rate?
	9. What difficulties are being encountered?
	10. What have the program delivery costs been (administration costs)?
	11. Is the program delivery method still the most appropriate? Would it be better to consider another responsibility centre?
Progress toward outcomes	12. What demonstrable progress has been made toward achieving preliminary results?
	13. How are current operations enabling the program to achieve its objectives?



Table 1: Evaluation issues	
Issue	Question
	14. Are there any constraints that affect the ability of the program to achieve its objectives? If so, what are they?
	15. Are there any signs that the program or the projects it supports could have unexpected positive and/or negative impacts (e.g., debt levels, duplication)? If so, what are they?
Adequacy of performance measurement	16. What monitoring and control procedures have been instituted to measure performance in an effective, ongoing way? Is the performance-related information collected systematically?
	17. Was enough baseline information collected to evaluate the progress made in comparison with the expected results? If not, what changes should be made?
	18. Are the program procedures adequate for measuring the impact of the project and the overall program performance? If not, what changes should be made?
	19. Are the delivery partners/funding recipients reporting on outputs and results achieved? If not, what steps need to be taken to correct this situation?

2.2 Evaluation methodology

The joint formative evaluation used several methodologies to collect multiple lines of evidence, including:

- ▶ file and document review
- ▶ key informant interviews
- ▶ surveys of program applicants
- ▶ a survey of contributors to endowment funds
- ▶ a written questionnaire for regions to assess outreach activities to targeted populations
- ▶ case studies of selected projects.

Table 2 details each methodology.



Table 2: Methodologies - Joint Formative Evaluation of APC, CSC, and CAHSP

Methodology	Description
<p>File and document review</p>	<p>The review included documents and program file documentation provided by each of the three programs, the Corporate Review Branch, and, in some cases, external organizations that PRA interviewed. The review (completed in February 2003) included, among other documentation, the following:</p> <ul style="list-style-type: none"> ▶ past evaluation of the Cultural Initiatives Program ▶ RMAFs for each of the three programs ▶ program guidelines and terms and conditions ▶ presentation decks and descriptive program information material ▶ background and descriptive reports provided by stakeholder organizations ▶ studies/research done by the APC and CSC programs.
<p>Key informant interviews</p>	<p>The evaluation included key informant interviews with several stakeholder groups. PRA completed a total of 44 interviews, in person and by telephone, between March and May 2003:</p> <ul style="list-style-type: none"> ▶ departmental senior managers (n=3) ▶ departmental program managers at headquarters and regional offices (n=14) ▶ representatives of federal funding organizations such as the Canada Council for the Arts and the Department of Foreign Affairs and International Trade (n=3) ▶ TBS analyst (n=1) ▶ representatives of provincial, territorial, and municipal agencies that work with and fund arts and heritage organizations (n=14) ▶ representatives of arts and heritage organizations that work with organizations that apply to the programs (n=9).
<p>Surveys of successful and unsuccessful program funding applicants</p>	<p>Two written questionnaires collected information from:</p> <ul style="list-style-type: none"> ▶ successful program applicants who received funding from one of the three programs ▶ unsuccessful applicants who received no funding. <p>In both cases, the survey process consisted of a mailed questionnaire (in both official languages) sent to organizations that had applied to one of the three programs, after PRA had contacted the organizations by telephone to verify their contact information and to announce the survey. Program applicants had three weeks to respond to the questionnaire and return it by fax, using a toll-free fax line. Note that in some cases PRA was unable to confirm the identity of the main contact or the fax number and address. Non-governmental and not-for-profit organizations can experience considerable staff change in a short period of time.</p> <p>Successful program applicants</p> <p>Program managers provided PRA with a list of successful applicants that had applied to APC and CSC (funding approved in 2001-02 and 2002-03) and successful applicants to CAHSP's capacity building and stabilization fund components (funding approved in April 2002, which started later). In all cases, the intent was to survey program applicants that had projects that were well under way or completed so that they would be able to comment on their interactions with PCH staff and report on the progress toward achieving results. PRA created a random sample to reach the response rates shown below, based on an expected 40% response rate. The short time frame for response limited us to one call-back to encourage response.</p>



Table 2: Methodologies - Joint Formative Evaluation of APC, CSC, and CAHSP

Methodology	Description																																													
Surveys of successful and unsuccessful program funding applicants (con't)	Unsuccessful program applicants																																													
	Program managers provided a list of applicants to each of the three programs that had not received funding. These applicants applied in 2001-02 and 2002-03 and not the current funding year. The survey process paralleled that used for successful program applicants, but with a shorter questionnaire focused on the application and notification processes.																																													
	Pre-test of questionnaires																																													
	In early April 2003, PRA conducted a pre-test of both questionnaires with 16 respondents. Based on the feedback received, the modified instruments provided more space for organizations to make comments that would reflect the range of projects funded under each program being evaluated.																																													
	Pre-test numbers																																													
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">APC</th> <th style="text-align: center;">CSC</th> <th style="text-align: center;">CAHSP</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>Successful applicants English</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">5</td> </tr> <tr> <td>Unsuccessful applicants English</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">5</td> </tr> <tr> <td>Successful applicants French</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Unsuccessful applicants French</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">6</td> <td style="text-align: center;">6</td> <td style="text-align: center;">4</td> <td style="text-align: center;">16</td> </tr> </tbody> </table>								APC	CSC	CAHSP	Total	Successful applicants English	2	2	1	5	Unsuccessful applicants English	2	2	1	5	Successful applicants French	1	1	1	3	Unsuccessful applicants French	1	1	1	3	Total	6	6	4	16									
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<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="3"></th> <th colspan="2" style="text-align: center;">APC</th> <th colspan="2" style="text-align: center;">CSC</th> <th colspan="2" style="text-align: center;">CAHSP</th> </tr> <tr> <th colspan="6" style="text-align: center;">numbers of surveys...</th> </tr> <tr> <th style="text-align: center;">Sent</th> <th style="text-align: center;">Received</th> <th style="text-align: center;">Sent</th> <th style="text-align: center;">Received</th> <th style="text-align: center;">Sent</th> <th style="text-align: center;">Received</th> </tr> </thead> <tbody> <tr> <td>Successful applicants</td> <td style="text-align: center;">115</td> <td style="text-align: center;">37</td> <td style="text-align: center;">115</td> <td style="text-align: center;">43</td> <td style="text-align: center;">49</td> <td style="text-align: center;">16</td> </tr> <tr> <td>Unsuccessful applicants</td> <td style="text-align: center;">36</td> <td style="text-align: center;">10</td> <td style="text-align: center;">35</td> <td style="text-align: center;">13</td> <td style="text-align: center;">15</td> <td style="text-align: center;">5</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">151</td> <td style="text-align: center;">45 (30%)</td> <td style="text-align: center;">150</td> <td style="text-align: center;">56 (37%)</td> <td style="text-align: center;">64</td> <td style="text-align: center;">21 (33%)</td> </tr> </tbody> </table>								APC		CSC		CAHSP		numbers of surveys...						Sent	Received	Sent	Received	Sent	Received	Successful applicants	115	37	115	43	49	16	Unsuccessful applicants	36	10	35	13	15	5	Total	151	45 (30%)	150	56 (37%)	64	21 (33%)
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PRA mailed 365 surveys during the second last week of April 2003: 279 surveys went to successful applicants and 86 to unsuccessful applicants. Of the 365, PRA was able to reach 72% of them by telephone to inform them of the survey and to verify their contact information. Of the 365 surveys, PRA received a total of 122 back, for a response rate of 33%. Additionally, one individual who received a survey for successful applicants indicated that s/he had never received funding for a project, and two individuals who received a survey for unsuccessful applicants called to say that they had never been refused funding. Note that all surveys involved contact with respondents who were mistakenly included in a database or who simply did not recall their interaction with the program.																																														



Table 2: Methodologies - Joint Formative Evaluation of APC, CSC, and CAHSP

Methodology	Description
<p>Survey of contributors to endowment funds</p>	<p>PRA mailed out a short questionnaire to 52 donors that had contributed to the endowment funds of arts and heritage organizations across Canada. PRA was able to contact most donors to explain the study and to notify them that the survey would be coming. (Note: representatives from CAHSP at headquarters and in regions had originally contacted donors to obtain permission for PRA to contact them.) The questionnaire collected information on the factors that respondents believed influenced their decision to contribute to endowment funds of arts and heritage organizations and, most importantly, whether the CAHSP's Endowment Incentives Component funding influenced the decision and level of donations. PRA requested that donors mail back their questionnaire using the postage-paid envelope provided or using a toll-free fax line. Receiving a total of 35 completed surveys, PRA achieved a response rate of 67.3% with one refusal and two "late" questionnaires.</p>
<p>Survey of PCH regional management on outreach activities to targeted populations (Reach Survey)</p>	<p>This questionnaire determines the extent to which the programs are reaching targeted populations identified by the Department, such as youth, Aboriginal people, minority language communities, remote/rural communities, and culturally diverse communities. The questionnaire aimed to identify outreach activities undertaken by PCH regional offices to assist organizations serving these target populations to access the three programs.</p> <p>The questionnaire was comprehensive and aimed to identify activities for each of the three programs and each targeted population. PRA sent out the survey by fax to several representatives within the Department's five regions in late April 2003. PRA also sent the survey by e-mail so regions could print a PDF version if they desired. Regions had almost three weeks to complete the survey questionnaire, and PRA received completed forms from all regional offices (n=9). (Note that in some cases several respondents provide comments from a specific office)</p>
<p>Case studies of selected projects</p>	<p>Case studies offer a detailed description of selected projects funded under each of the three programs and offer an understanding of how the programs work at the project level. PRA, in consultation with the Evaluation Working Group, selected a total of 10 projects for study. The main criterion used to select the cases was representation across the three programs. PRA completed four cases funded under APC, four cases funded under CSC, and two cases funded under CAHSP. Secondary selection criteria included: projects that are well under way or completed, regional representation, range in the size of projects, range of projects funded across various program components, and focus on target populations.</p> <p>The case studies for this study included:</p> <ul style="list-style-type: none"> ▶ Vancouver East Cultural Centre - renovation and feasibility study (BC) ▶ The City of St. Albert Arden Theatre - video audio monitoring specialized equipment (AB) ▶ The Foundation for Heritage and the Arts - building sustainable organizations program (NS) ▶ Le Domaine Forget de St-Irénée (PQ) ▶ The Yukon Arts Centre in Whitehorse (YK) ▶ The Charles W. Stockey Centre for the Performing Arts and Bobby Orr Hall of Fame in Parry Sound (ON) ▶ The development of Ontario's arts presenter network (ON) ▶ The Aurora Arts Society - feasibility study (NWT) ▶ The West End Cultural Centre - family series and building bridges - culture and community (MB) ▶ The Vancouver Play House - presentation of <i>The Far Side of the Moon</i> - play (BC)



2.3 Methodological challenges

2.3.1 Identifying the experience of each program has proved elusive

Evaluating the three programs as a group proved challenging.

After reviewing the options of whether to conduct separate evaluations or to combine them into one evaluation, it was decided to conduct a joint formative evaluation for the three programs as their objectives tend to be complementary and reach the same clientele. Accordingly, management decided to pool resources to undertake a joint formative study. This produced an inevitable compromise in the sense that attention shifted from the design, delivery, and implementation of individual programs to the experience of the Programs in common. However, it offered a cross-fertilization of ideas and information, which is currently used to improve the delivery structure of each program.

In addition to the fact that, conceptually, the evaluation focuses on the Programs in general, specific methodological problems limit the capacity to identify separate findings for each program:

- ▶ Survey respondents may have applied (successfully and unsuccessfully) to more than one program, and obtaining focus on the most recent project or application proved challenging. Many probably replied generally, rather than referring to a specific program.
- ▶ The sample of successful applicants is too small (n=70) to support inference. When the summative evaluation occurs, in several years, this will not be the case, and results and differences in perceptions of the Programs will be supportable by better statistical evidence.
- ▶ Key informants also preferred to speak of the Program with which they were most familiar; more senior staff spoke generally. This may have been the case because they had few details that allowed them to compare the three programs or because to offer detailed comparisons would have entailed extensive interviews.



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- ▶ It is also important to note that all three programs are new and at approximately the same stage (the CAHSP is a little newer due to a slightly later start), and all have experienced similar implementation issues.
- ▶ Instruments capture the uniqueness of each program to some degree but not in the same way as if one had conducted three separate evaluations. Organizations can apply to more than one program, and while instruments attempt to capture information on each program, they may not always do so.
- ▶ Each program consists of sub-components but due to small samples and the knowledge of key informants, it was not possible to provide any detailed information on the sub-components. Again, sub-component resolution is difficult to capture with a generic instrument for three programs, and, to reiterate, with new programs, experiences of managers and participants are preliminary and general.

An important exception to the above is the survey of endowment contributors, which provides direct feedback on an important component of the CAHSP.

2.3.2 Key informant interviews

Key informant interviews included program staff at PCH headquarters and regional offices, as well as representatives of recipient organizations. Since this is a formative evaluation, which emphasizes design and delivery issues, it does not include experts who would be asked to review the rationale or need for the programs.

The most important challenge is that information that would allow some discrimination among programs and components did not emerge simply because respondents usually had no relevant details and refused to speculate.



2.3.3 Surveys of applicants (successful and unsuccessful)

Challenges with the successful and unsuccessful applicants questionnaires include the following:

- ▶ A single questionnaire to collect information from three different programs and a range of program components may confuse respondents when they are answering questions, especially if the organization had applied for more than one kind of funding. At the same time, creating unique questions requires the database to be able to discriminate and match applicants to programs. This is difficult given that organizations apply for and receive funding from more than one program. The questionnaires directed respondents to think about the most recent project funded. To provide a separate questionnaire for each project could mean that an organization (specifically the manager) may need to complete several forms, which would be an unacceptably high burden. Therefore, the resulting possible ambiguity reflects the inevitable trade-off between precision and respondent burden.
- ▶ Projects within a program (e.g., CSC) range from small feasibility studies to large capital construction projects worth millions under one program. The questionnaire allowed respondents to offer written comments; they may have experienced difficulty in aligning the more generic questions with the last project for which they were funded. As well, respondents would naturally recall the most important (largest) project funded under any of these programs, which again, may add ambiguity to their responses.
- ▶ The three programs are new. While the research attempted to identify recipients that had been funded at an early point in an attempt to gather the experience of projects that were in some sense “mature” (closer to producing outcomes), many respondents could only report on projects that had received funding approval recently.
- ▶ Inevitably, the sample included organizations that had applied for and secured funding from more than one program (and possibly received funding for more than one project from a single program). The expectation was that

Surveys of applicants offered important insight into the impact of program design and delivery.

Surveys of unsuccessful applicants provided insight into support offered by PCH and the perceived complexity of the application process.



they would comment on the more recent program in which they had participated, but this was not always the case. Some selected projects were approved but not necessarily well under way. Parts of the survey were therefore occasionally incomplete. Table 3 shows how many respondents commented on the program PRA selected for them.

Table 3: Respondents who commented on program PRA selected for them		
Program selected	Number of respondents	Percentage of respondents
Successful applicants		
APC	52	54.2%
CSC	45	46.9%
CAHSP	29	30.2%
Unsuccessful applicants		
APC	10	38.5%
CSC	15	57.7%
CAHSP	10	38.5%
Note: Respondents may have provided more than one answer. Totals may sum to more than 100%.		

2.3.4 Case study challenges

While outcomes reported by key informants in the case studies were general, the cases offered valuable illustrations of insights obtained from other lines of evidence.

Case studies add important detail on how the programs supported specific projects. The important caution with case studies is that while the project details can be illuminating, case studies can dominate the research and play an evocative role in emphasizing points that are unique to a specific organization but that are not generalizable to other projects and/or programs.

2.4 Summary on methodology

The methodology for this evaluation relies on six lines of evidence: document review, key informant interviews, surveys of successful and unsuccessful applicants, a survey of contributors to endowment funds, ten case studies, and an extended survey/review of program reach to target groups, completed for each region by staff.



3.0 Profile of programs

This section provides an overview of the three programs being jointly evaluated.

3.1 Overview of departmental strategic objectives

PCH has four strategic objectives, and all departmental programs, policies, and initiatives should contribute to these objectives⁴. The first two are particularly relevant to the three programs being evaluated.

Mission			
Towards a more cohesive and creative Canada			
<p>1. Canadian content</p> <p>Promoting the creation, dissemination, and preservation of diverse Canadian cultural works, stories, and symbols reflective of our past and expressive of our values and aspirations.</p>	<p>2. Cultural participation</p> <p>Fostering access to and participation in Canada's cultural life.</p>	<p>3. Connections</p> <p>Fostering and strengthening connections among Canadians and deepening understanding across diverse communities.</p>	<p>4. Active citizenship and civic participation</p> <p>Promoting understanding of the rights and responsibilities of shared citizenship and fostering opportunities to participate in Canada's civic life.</p>

3.2 Evolution of the programs

The three programs have evolved from PCH's history of support for the arts and heritage. This section traces the Programs' lineage to illustrate the current context for departmental support for the arts and heritage in Canada.

3.2.1 Situation of arts and heritage organizations and needs that led to current programming

Weaknesses in predecessor programming led to the creation of the three programs.

Government assistance remains essential for the survival of many cultural industries and institutions in Canada, although to varying

⁴ At the times the Programs were developed, PCH had five strategic objectives: *diverse and accessible Canadian choices, excellence in people, building capacity, Canadians connected to one another, and Canadians connected to the world*. The Department modified these objectives slightly in April 2002.



degrees.⁵ The federal government has played, and continues to play, an important role in supporting the arts and culture in Canada. Although federal support continues, the cultural community has experienced the effects of government-wide budgetary restraints, especially during the 1990s.⁶

- ▶ In each year between 1991-92 and 1993-94, federal government expenditures on culture decreased by an average of 0.2% in nominal terms. Adjusted for inflation, the reduction is greater.
- ▶ Federal government expenditures rose slightly in 1994-95 and 1995-96, only to decline to the levels of the early part of the decade in 1996-97 and 1997-98.
- ▶ Statistics Canada reported that federal cultural expenditures amounted to \$2.67 billion in 1997-98, a decrease of 3.9% from the previous year.
- ▶ To compound the results of government financial support, total attendance for the performing arts sector fell almost 4% between 1992-93 and 1998-99.
- ▶ Between 1990 and 1997, touring performances declined by 7%, and the average number of performances per troop fell by 39%. The size of audiences for touring performances fell by 16.3%.⁷
- ▶ A large number of cultural facilities, such as theatres, studios, and museums, were built in the 1960s and 70s and need renovation and conversions in order for Canada's

⁵ Statistics Canada. "The 1990s A Decade of Shifting Patterns of Financial Support for Culture." Quarterly Bulletin from the Culture Statistics Program, Autumn 1997 Vol. 9, No. 1.

⁶ Statistics Canada. "Federal Cultural Spending Over the Last Ten Years." Quarterly Bulletin from the Culture Statistics Program, Spring 1997, Vol 9., No. 1.

⁷ Department of Canadian Heritage. "Arts Presentation Canada Program: Results-Based Management and Accountability Framework." June 2001.



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cultural infrastructure to meet modern standards and remain competitive.⁸

- ▶ Expenditures on culture at the provincial and territorial levels of governments were also decreasing, and other traditional sources of funding, such as box office revenues and corporate donations, have been under similar pressure.⁹
- ▶ The disbanding and financial troubles experienced by some organizations (e.g., Hamilton Philharmonic Orchestra, the symphony orchestras in Montreal and Toronto) highlight the instability of many large and small cultural organizations.¹⁰

⁸ Department of Canadian Heritage. “Cultural Spaces Canada Program: Results-Based Management and Accountability Framework.” June 2001.

⁹ Jackson, Joseph and René Lemieux. “The Arts and Canada’s Cultural Policy.” Library of Parliament, Parliamentary Research Branch. Revised October 15, 1999.

¹⁰ Department of Canada Heritage. “Canadian Arts and Heritage Sustainability Program: Results-Based Management and Accountability Framework and Risk-Based Audit Framework.” September 13, 2001.



3.2.2 Overview of predecessor programs

PCH had been supporting arts presenters¹¹ and heritage organizations for some years through the Museums Assistance Program (MAP), established in 1972, and the former Cultural Initiatives Program (CIP), established in 1985.

The CIP included the following three main components:

- ▶ ***Component I - Strategic Development Assistance*** to improve the viability and effectiveness of cultural organizations. From 1995-96 to 1999-00, about 49% of its funds were for the creation of an arts and heritage stabilization fund.¹²
- ▶ ***Component II - Capital Assistance*** to increase public access to performing arts, professional visual arts, and heritage collections by providing access to a national network of cultural facilities. From 1994-95 to 1999-00, about 30% was used for construction, renovation, and repairs of arts and heritage buildings, the purchase of specialized equipment, and feasibility studies.¹³
- ▶ ***Component III - Festivals and Special Arts Events*** to give the Canadian public the opportunity to appreciate Canadian professional artistic achievements from other provinces and territories.

The three current arts and heritage programs were elements of the components of the former Cultural Initiatives Program.

¹¹ An “arts presenter/producer” is incorporated under the *Canada Corporations Act*, Part II, or territorial or provincial legislation and has a mandate to present or produce to their audience the works of artists or arts and heritage organizations. The arts presenter/producer may be involved in stimulating, co-producing, or assisting in the creation or production of a performance, a series, or an exhibition. An arts presenter/producer does not own the final product. It remains the property of the professional artist or arts and heritage organization.

Source: http://www.pch.gc.ca/progs/pcapc-cahsp/vdcop-cbcho/8_e.cfm

The “arts presenter” has the purpose “*of bringing artists and audiences together in a mutually enjoyable, live performing arts experience in a variety of disciplines (music, theatre, dance, and family programming).*” Source: <http://www.ccio.on.ca/index.htm>

¹² Department of Canadian Heritage, Corporate Review Branch, Evaluation of the Cultural Initiatives Program, September 2001.

¹³ Ibid.



Over the period 1995-2001, the allocations to CIP varied, falling to \$7.6 million in 1995-96 and rising to \$11.3 million in 1999. The proportion of funding to each program over the 1995-96 to 1999-00 period was: 17% to Strategic Development Assistance, 30% to Capital Assistance, and 59% to Festivals and Special Arts Events.

According to program personnel, by the late 1990s, components I and II had become “dormant,” and resources were allocated to each component on a case-by-case basis.

An evaluation of the CIP (2001) examined its continued relevance, whether activities achieved their objectives, and the appropriateness of resources allocated to the CIP. The evaluation focused on the period 1995-96 and 1999-00. Findings included the following:

- ▶ The CIP’s environment had changed, and the program needed to be more relevant to the realities of the world of arts and culture.
- ▶ In defining expected outcomes, the reality of the Canadian public needs to be considered, such as: geographic layout, fragmentation of cultural realities, rural versus urban life, remoteness of main arts presentation centres, and resources available in communities.
- ▶ Component I should be changed into a stabilization fund provided to arts and heritage organizations by third party organizations and equipped with resources and the ability to report to Parliament.
- ▶ Construction of some cultural facilities qualifies for funding under Infrastructure Canada. Therefore, some of the needs that the CIP tried to meet under Component II should be discussed with Infrastructure Canada.
- ▶ The evaluation recommended dividing the CIP into separate programs, which led to the creation of APC, CSC, and the CAHSP.

Since 1994, only Component III of the CIP was active, while the other components funded projects on an ad hoc basis. In addition, the budget for the CIP fluctuated greatly in the late 1990s.

An evaluation of its predecessor program and round-table discussions led to the creation of three new programs.

PCH also held round-table discussions with stakeholders, which led to the *Framework for the Arts* (2001). The framework presents



a vision for the arts and heritage and promotes more strategic opportunity to foster artistic excellence, access, and sustainability.

3.2.3 Federal government policy for the arts and heritage

PCH developed the *Framework for the Arts* in 2001 in order to facilitate a policy orientation for federal involvement in the arts and heritage. The Framework was developed through a national consultation with artists, arts administrators, academics, and community organizations.¹⁴ The Framework describes the federal government's current and potential role in creating a dynamic arts sector that is accessible to all. The Department's focus was guided by three key directives: excellence and diversity in creativity, connecting people and the arts, and sustaining the sector.

In May 2001, the Prime Minister announced¹⁵ a major investment of more than \$500 million to ensure the growth and development of Canadian culture.¹⁶ This investment extends over a three-year period and has the following objectives:

- ▶ encourage the growth, development, and diversity of creative work in Canada
- ▶ provide Canadians with the means to protect their built heritage
- ▶ increase the production of Canadian content for the Internet
- ▶ ensure that our cultural industries are able to prosper in the new digital economy and to protect a Canadian voice that is strong and original
- ▶ encourage export of cultural products and services.

Except for the funds to the Canada Council for the Arts, most of the programs benefitting from the additional funding are administered by PCH.¹⁷ Among the many programs inaugurated, PCH developed APC to target programming, CSC to target physical infrastructure, and the CAHSP to target sustainability of the arts and heritage.

¹⁴ Department of Canadian Heritage, Arts Policy Branch. *A Framework for the Arts*. July 19, 2001.

¹⁵ The announcement was entitled “*Tomorrow Starts Today*.”

¹⁶ <http://www.pch.gc.ca/special/tomorrowstartstoday/ny-1.htm>

¹⁷ Note that the Canadian Broadcasting Corporation and Telefilm Canada also received additional funding and these are not administered by PCH.



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3.3 Overview of the programs being evaluated

Table 4 (next page) provides an overview of the three new arts and heritage programs being evaluated.



Table 4: Overview of arts and heritage programs being evaluated

	Arts Presentation Canada	Cultural Spaces Canada	Canadian Arts and Heritage Sustainability
Objectives	<ul style="list-style-type: none"> To encourage and enable presenters of the arts to expand and diversify the programming and artistic experiences to which Canadians are exposed in their communities 	<ul style="list-style-type: none"> To facilitate access to performing arts, the media or visual arts, and heritage collections To increase and improve the physical resources for artistic creation and innovation 	<ul style="list-style-type: none"> To entrench arts and heritage more deeply in community and ensure supply of cultural offerings To ensure the long-term sustainability of Canadian arts and heritage organizations by stabilizing them and building their capacities
Components	Programming support (launched in 2001-02) Project support Development support	Construction / renovation and re-use Specialized equipment Feasibility studies	Stabilization funds, capacity building, cultural capitals of Canada, endowment incentives, and networking
Resources	\$72 million over three years, 32 full-time equivalents	\$80 million over three years, 12 full-time equivalents	\$78 million over three years, 24 full-time equivalents
Coordination	Coordinated nationally, managed by regional offices	Coordinated nationally, managed by regions (consultation with infrastructure partners)	Coordinated nationally, capacity-building component managed regionally
Grants or contributions	Contributions provided to: <ul style="list-style-type: none"> support activities of experienced presenters/ organizations fund specific project initiatives (limited time) support development by third parties of new presenters and initiatives not eligible for funding under other components 	Contributions provided for: <ul style="list-style-type: none"> construction of buildings for arts and heritage activities renovation and conversion of pre-existing buildings purchase of specialized equipment feasibility studies 	Contributions or grants to: <ul style="list-style-type: none"> help arts and heritage organizations improve financial stability and management capacities facilitate capacity building help arts and heritage organizations become entrenched in community encourage establishment of endowment funds
Maximum contributions	<ul style="list-style-type: none"> Contributions to a maximum of \$500,000 or up to 50% of eligible costs 	<ul style="list-style-type: none"> 50% for construction, renovation, and re-use 50% for specialized equipment, feasibility studies up to \$10,000,000 for construction or renovation, up to \$1,000,000 for equipment, up to \$500,000 for feasibility studies 	<ul style="list-style-type: none"> Endowment, 30% of average income of arts and heritage organization over past 3 years or \$5,000,000 (no more than \$2,000,000 per year) Stabilization fund \$7,000,000 Cultural capitals of Canada, 50% of total cost of project or \$500,000 Capacity building, 50% of project or \$250,000 Canadian cultural communities, 50% of total cost of project, or \$500,000 Networking, 50% of total cost of project, or \$250,000
Deadlines	<ul style="list-style-type: none"> Programming support Apr 30 and Sept 30 for season starting after the following Apr Project support Apr 30 for project after the following Nov; Sept 30 for project after the following Apr Development Support - No deadline 	No deadline	<ul style="list-style-type: none"> Endowment: Dec 31st Stabilization fund: no deadline Capacity building: Apr 15th and Oct 15th Cultural capitals of Canada: Mar 15th Networking: No deadline

Source: Program documentation.



3.3.1 Arts Presentation Canada

Some other facts about arts presenters:

- ▶ **Most (90%) of performing arts in Canada occur in 15 cities.**
- ▶ **Since the 1960s, hundreds of facilities have developed outside urban centres.**
- ▶ **In the 1970s to 1990s the role of local organizations increased.**
- ▶ **In the 1990s, activity declined.**

APC, which was launched in July 2001, replaces the Festival and Special Arts Events component of the CIP. APC has an allocation¹⁸ of \$72 million over three years. The Program directs its funding to arts presenters to increase and diversify programming offered in communities and to organize audience development and outreach activities. Presenters include arts festivals and performing arts series that range from large and multidisciplinary to small and specific outreach. The purpose is for the investment of the Program to contribute to the departmental objectives of access and diversity.

APC has three components:

- ▶ The ***Programming Support Component*** supports annual and multi-year programming available to arts presenters that produce an arts festival and/or performing arts series and for other initiatives with similar objectives to those of APC. Financial support is also available to service organizations and networks that support arts presenters on an ongoing basis. This core component of the Program aims to ensure consolidation and expansion in the presenter community/network that is expected to support and increase long-term planning and a closer connection to communities.
- ▶ The ***Project Support Component*** supports non-recurring projects, which add to or diversify eligible arts and heritage organizations' regular activities (e.g., special professional development or networking initiative).
- ▶ The ***Development Support Component*** supports third parties to deliver grants and provide advice/services to new presenting organizations. This component aims to ensure future growth in the presenter milieu/network and to encourage partnerships with other governments and funders.

The APC is coordinated at PCH headquarters and is managed through the Department's five regional offices (located in Moncton, Montreal, Toronto, Winnipeg, and Vancouver), with the support of the district offices.



An important aspect of APC is to lever collaboration and complement arts programs of the Canada Council for the Arts, the Department of Foreign Affairs and International Trade, the National Arts Centre, and provincial, municipal, and service organizations. A key short-term outcome indicator for the Program is the extent to which other orders of government and other organizations coordinate with PCH activity and match funding.

The expected longer-term outcomes of the Program are increases in:

- ▶ the number and diversity of performances and professional artists programmed by presenters
- ▶ the number and diversity of artistic experiences facilitated by presenters
- ▶ the number and diversity of audiences served by sponsored organizations
- ▶ the number and diversity of arts presenters in Canada
- ▶ the number of skills and knowledge development opportunities offered to active presenters.

3.3.2 Cultural Spaces Canada

CSC reached some 80 communities across Canada.

CSC, which was launched in June 2001, replaces the infrastructure component of the CIP. CSC supports the improvement, renovation, and construction of arts and heritage facilities, and the acquisition of specialized equipment.¹⁹ From 2001 to 2004, this program will allocate \$80 million to arts and heritage organizations with special consideration given to those that serve under-served communities or disciplines, youth, official languages minorities, and Aboriginal and culturally diverse communities. Non-profit arts or heritage and First Nation groups, as well as provincial/territorial, municipal, and regional governments, are eligible.

Projects are first assessed against a national standard grid, which reflects program objectives and indicators. Once an initial list of priorities is established, it is refined by a National Review Committee, which further applies supplementary criteria such as:

- ▶ needs of under-served communities
- ▶ needs of under-served disciplines

¹⁹ Canadian Heritage. (2002). *Cultural Spaces Canada*.
http://www.pch.gc.ca/progs/ecc-csp/index_e.cfm



- ▶ distribution of funding across Canada
- ▶ special value for targeted groups.

Similar to APC, CSC is coordinated at PCH headquarters and is managed through the Department's five regional offices, with the support of the district offices. Regular consultations occur with the Infrastructure Canada Program (ICP) in regions to ensure complementarity of actions. Both the ICP and the Canada Council for the Arts have an observer on CSC's National Review Committee. The Program also consults with provincial/territorial colleagues to ensure complementarity of projects.

An October 2002 progress report for CSC indicated that there were:

- ▶ **16 feasibility studies**
- ▶ **59 renovation / construction projects**
- ▶ **49 purchases of specialized equipment in 78 communities.**

As of February 1st 2003, funding for CSC has been allocated as follows:²⁰

- ▶ \$10.8 million for administration (including reporting and evaluation) and departmental priorities
- ▶ \$58.1 million for 125 projects announced or in final recommendation
- ▶ \$1 million for joint funding with Canada Council for the Arts Media Arts Section
- ▶ \$13.6 million still available, but of it, \$11.3 million currently recommended and \$2.3 million to be committed in next year.

The largest subscribers to the Program to date include: Ontario, Alberta, Québec, British Columbia, New Brunswick, and Prince Edward Island.

Expected impacts resulting from CSC include:

- ▶ improved quality and quantity of available equipment and facilities
- ▶ increased productivity / work effectiveness for users
- ▶ increases in audience numbers and access by target groups
- ▶ increased level of community use of facilities
- ▶ increases in earned revenues.



3.3.3 Canadian Arts and Heritage Sustainability Program

The concept of arts stabilization has received increasing attention in the last decade in Canada. It consists of funds that are raised partly in the community and partly through all levels of government and that are provided to arts and heritage organizations that engage in improving their management practices.

Currently, the CAHSP consists of five components:

- ▶ **Stabilization Projects**
- ▶ **Capacity Building**
- ▶ **Cultural Capitals of Canada**
- ▶ **Endowment Incentives**
- ▶ **Networking Initiatives.**

Based on an experiment supported by the major American Foundations (Rockefeller, Ford, and Andrew Mellon) from 1983, the federal government's sustainability strategy is based on two pilot projects developed in partnership with the private and public sector, located in Vancouver and Alberta. Six are in operation – Vancouver, Alberta, Hamilton, Nova Scotia, Manitoba, and Saskatchewan – and at the time of this report, four are in the development stage – Toronto, Victoria, Prince Edward Island, and New Brunswick.²¹ For its part, in 1999, the Government of Québec fostered the creation of the *Fonds de consolidation et de stabilisation des arts et de la culture de Québec*, without assistance from other levels of government or the private sector for the moment. All provinces but Newfoundland and Labrador and the territories have stabilization projects in operation or in progress. The CAHSP replaces the strategic development assistance component of the CIP that originally funded the pilot projects.

The Program consists of five components:²²

- ▶ The ***Stabilization Projects Component*** provides grants to Stabilization Projects. A Stabilization Project is administered by an independent non-profit group that represents the interests of the larger community through the make-up of its Board and through the diversity of its revenue base. Funding from this component is added to that raised by the Stabilization Project from other levels of government and the private sector. This broad revenue base in turn funds eligible arts and heritage organizations within a specific geographic area that are willing to undergo fundamental changes related to how they plan, organize,

²¹ Information provided by PCH program management.

²² . This appears to have been dropped, and the Networking Initiatives Component added.



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finance, and govern themselves. Stabilization Projects provide assistance in the following areas:

- delivery of technical expertise services (mandatory)
- deficit reduction
- working capital reserves.

This component is formula based. By December 2002, the situation was as follows:

- ▶ 37 applications requested \$8.8 million
- ▶ 35 eligible applications
- ▶ total amount for eligible funding \$8.3 million; of which, \$8.3 million had been distributed.

- ▶ The ***Capacity Building Component*** helps management/governance-related projects of arts and heritage organizations that cannot access a stabilization fund. The Capacity Building Component also supports national organizations that need to increase their management capacities. It will fund up to \$250,000 for projects that try to improve planning, operations, monitoring and evaluation, scanning, and other management functions within professional arts and heritage organizations.
- ▶ The ***Cultural Capitals of Canada*** component fosters integration of cultural matters in municipal priorities and provides for the possibility of designation of “cultural capitals.” Municipalities are encouraged to play a central role in the cultural development of their community by defining and implementing cultural policies and action plans. The intent is to create a stable environment in which cultural organizations operate, to improve the quality of life of municipal residents, and to market cultural and heritage experiences. Note that this evaluation does not address this component, as it has just begun (May 2003).
- ▶ The ***Endowment Incentives Component*** seeks to encourage the private sector to contribute to arts and heritage organizations’ endowment funds by providing matching grants (up to 1:1) for each dollar raised and allocated to the organizations’ endowment fund. The Endowment Incentives Component is intended for arts and heritage organizations, such as dance or theatre companies and symphony orchestras, that suffer from chronic undercapitalization and weak financial bases. Presenters, festivals, and heritage organizations are not eligible under this component.
- ▶ The ***Networking Initiatives Component*** provides strategic contributions to national networking projects that develop, improve, and strengthen the environment for arts and heritage in Canada. These networking undertakings involve municipal cultural officials or stabilization projects. Maximum funding is \$250,000 or 50% of the total costs of a project.



The CAHSP uses “conditional grants” to deliver the stabilization funds and endowment incentives components and contribution agreements to the delivery capacity building and networking initiatives component.²³ In essence, the CAHSP is to act as a catalyst to ensure results where arts and heritage organizations:

- ▶ have organizational competencies to ensure their development
- ▶ are in a long-term, viable financial situation
- ▶ are well anchored in their community and beneficiary municipalities have a framework (policy) for their undertakings in the cultural sector and to carry out interventions.

The budget for CAHSP is \$78 million over three years, divided as follows:

- ▶ Stabilization Projects: \$14 million
- ▶ Capacity Building: \$24 million
- ▶ Cultural Capitals of Canada: \$5 million
- ▶ Endowment Incentives: \$34 million
- ▶ Networking Initiatives: \$1 million.

The CAHSP operates through the combined efforts of the Arts Policy Branch (APB), Heritage Policy Branch (HPB), regional offices, and central services at headquarters. For stabilization projects, there is collaboration between APB and regions. The Capacity Building Component is led by regions, with coordination at APB and HPB. The APB administers Endowment Incentives, Cultural Capitals of Canada, and Networking Initiatives.

²³

Based on the application form, it appears that the conditional grant requires limited outcomes reporting, and the applicant need only meet specified conditions. For example, in the Endowment Incentives Component, the Component consists of matching private sector funding to an endowment for the organization. The conditions apply to maximum matching levels and applying appropriate documentation on the private funding. Similarly, the conditions on the grant for the Stabilization Project Component pertain to providing for “control and reporting mechanisms.” In contrast, the contribution agreements for the Capacity Building Component and the Networking Initiatives Component require the applicant to specify, measure, and report on the expected outcomes.



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3.4 Summary

These three programs are all distinct yet complementary and target different needs of arts and heritage organizations, which makes it all the more surprising that many respondents and key informants could not offer substantive comment on any differences in design and delivery. Again, the newness of the Programs may mean that respondents and key informants lack sufficient experience to offer informed judgements about differences in processes.



4.0 Evaluation findings

This section presents the findings of the evaluation research, which was based on:

- ▶ document review
- ▶ key informant interviews
- ▶ case studies
- ▶ program participant surveys (successful and unsuccessful applicants and endowment contributors)
- ▶ survey on reach of target populations.

The evaluation issues and questions identified in the evaluation framework (see Table 1) form the structure for the information presented in the following sections.

4.1 Rationale

Not surprisingly, key informants endorsed the Programs.

The Request for Proposals set out the issues and questions to be addressed by the formative evaluation of APC, CSC, and the CAHSP. The evaluation framework does not include the issue of rationale for the Programs, which this evaluation will only briefly address, primarily to set the context for design and delivery issues that form the core of the study. The key informants (senior managers and program managers of PCH as well as representatives of recipient organizations) support the rationale of the three programs, but they do not provide the true test of these issues that arise from interviewing disinterested experts and carrying out a literature/policy review.

Evaluation issues and questions that deal specifically with the rationale behind the three programs should be dealt with in greater detail in a summative evaluation.

4.1.1 Link to strategic objectives

Key informants confirmed the alignment of program goals to departmental goals as well as the rationale for the Programs.

Alignment with departmental objectives is an important element of the rationale of a program. As stated previously, PCH's mission is to move toward a more cohesive and creative Canada. To this effect, the Department pursues four broad objectives: Canadian content, cultural capacity, connections, and active citizenship and civic participation. The senior managers and program managers (headquarters and regions) who were interviewed agreed almost unanimously that these programs align well with the first two strategic objectives of the Department.



Most of the opinions expressed by PCH program managers on the extent to which the Programs are contributing to the strategic objectives emerge from the following two ideas:

- ▶ The Programs speak strongly to the objectives: access and diversification.
- ▶ Arts, culture, and heritage organizations can “operationalize” the departmental policy objectives by encouraging recipient organizations to extend their capacity to new and under-served audiences and experiences. In turn, this benefits Canadian access to arts, culture, and heritage.

Key informants confirmed that these programs all form a strategic modality to support departmental objectives.

4.1.2 Relevance of program objectives

Key informant interviews also validated the relevance of the three programs to arts, culture, and heritage organizations. All of the representatives of provincial, territorial, and municipal governments who provided opinions on the relevance of the program objectives unanimously agreed that the objectives are still relevant, for both new and old arts, culture, and heritage organizations. As well, over half of the representatives of arts and heritage organizations agreed that these three programs are important and still relevant for arts, culture, and heritage organizations.

4.2 Adequacy of program design

This section addresses two questions:

- ▶ *What were the driving forces behind the program design (e.g., the program objectives and expected outcomes, the eligibility criteria and priorities, the structure of the administering authority, paths of communication, method of delivery by third parties)?*
- ▶ *Are there some aspects of the program design that are detrimental? If so, which ones?*



4.2.1 Driving forces behind the program design

As outlined above, the CIP was launched in 1985. It included three components: increased organizational capacity of arts and heritage organizations (management), enhancement of physical infrastructures, and support to festivals. In the fiscal year 1994-95, the scope of the CIP contracted to include only the third component (support to festivals). Key informants indicated that the Department was aware of the continuing needs for infrastructure support and capacity building but was forced to reduce budgets in step with government-wide fiscal restraint.

Key informants also noted that the CIP was becoming outdated and no longer effectively supported needs of Canadian arts, culture, and heritage organizations. There was a sense that the federal government needed to support the arts and heritage in a more comprehensive way and target support to meet specific organization gaps. A need existed for more flexible program support access by smaller organizations and a broader range of communities. Under the CIP, the admission criteria had been rather strict, and key informants noted a need for more flexible admission criteria to allow for a greater number and more diverse array of organizations to apply for funding. An important issue was to increase the financial sustainability of funded organizations, which specifically led to programs to increase management and organizational capacity and to develop incentives to increase fiscal stability.

In 1999, national consultations occurred, the purpose of which was to identify optimal types of programs, the level of funding required, and eligibility criteria. At the same time, *A Framework for the Arts* (2001) confirmed the orientation taken with the Evaluation of the CIP (refer to Section 3.2.2). The evaluation, the consultations, and the new federal policy for the arts and heritage all informed the submission to Cabinet that created the three programs and sub-components.

Funding was provided for a three-year period (2001-02 to 2003-04), and this opened the way for the establishment of APC, CSC, and the CAHSP.



4.2.2 Operational design challenges

Each of these programs represents an important evolution over previous support initiatives, and as such, it would be surprising if design issues did not arise during implementation. The interviews with the program managers from both headquarters and the regions revealed the operational design issues experienced by the program staff.

A recurring theme throughout the evaluation is the need to balance increased access with the need to maintain accountability for public funds.

It is tricky to design programs to support greater access while maintaining due diligence. These programs emerged during an era of increasing scrutiny over grants and contributions (Gs&Cs), and many federal funding programs tightened eligibility and increased their oversight. With contribution programs, especially, an increasingly higher level of accountability is placed on the funded organizations.²⁴ The challenge is finding the balance between accountability and access to the programs. Greater demands for reporting invariably weigh most heavily on small organizations that have been non-traditional recipients of arts funding.

A recurring theme in interviews and in surveys of applicants is the perceived level of effort in applying for funding and providing ongoing reports. Program managers reported that this was a common complaint by all organizations, but especially smaller groups with a limited history of securing funds. The Programs demand about the same level of detail and project reporting for small operational contributions as for large construction projects, which is counter to applying an integrated risk management approach. As Section 5 will show, all programs have important opportunities to streamline application and reporting that is consistent with the Auditor General and Treasury Board guidelines.

4.2.3 Design issues by program

Although all programs encourage increased access, a core theme is to create stronger arts and cultural organizations with improved self-reliance. The design of the three programs varies slightly to address different needs:

24

The distinction between a grant, contribution, and contract may be reflected in terms of a spectrum where the funder has increasing control over enforcing the delivery and realization of outputs and outcomes. Grants offer some limited control (except to deny applicant repeated funding) since the funds are provided “up front,” contributions specify deliverables and usually have some payment process based on satisfactory reports, and contracts are backed by legal requirements of payment in exchange for performance.



- ▶ APC supports presenters so they can offer artistic events and experiences in their communities. This directly supports PCH strategic objectives by increasing access to arts and cultural events. By disseminating unique arts and cultural events, the Program hopes to stimulate increased interest and support from the community.
- ▶ CSC supports the creation/upgrading of infrastructure and acquisition of equipment to increase access, especially for target audiences in remote areas, ethno-cultural communities, and people with disabilities. It was created to compensate for a hiatus in federal support for infrastructure development and upgrading.
- ▶ The CAHSP deals directly with self-reliance by providing funding for projects that increase managerial and organizational capacity and by encouraging increased private sector participation in the funding and governance of arts and cultural organizations.

4.2.4 Summary on program design

Table 5: Summary on program design	
Questions	Findings
<i>What were the driving forces behind the program design (e.g., the program objectives and expected outcomes, the eligibility criteria and priorities, the structure of the administering authority, paths of communication, method of delivery by third parties)?</i>	<p>The Programs emerged from a review process in 2001 as a complementary portfolio of support for arts and heritage organizations. The objective was also to remedy what had been a period of fluctuating funding for predecessor programs. By offering programs support to enhance and expand cultural spaces, stabilize organizations, and create incentives to mount new events, PCH hoped to attract new audiences to participate in the arts and heritage.</p> <p>PCH elected to use the Gs&Cs process to maximize regional and organization flexibility.</p>
<i>Are there some aspects of the program design that are detrimental? If so, which ones?</i>	As discussed in the next section, key informants and survey respondents were unable to articulate major problems with the design of the Programs. In general, the three programs and their components form a sensible portfolio of support to arts and heritage organizations.

Recommendations:

See Sections 4.3 and 4.4 for more detailed discussion of delivery and implementation issues.



4.3 Adequacy of program delivery

This section of the report addresses the following questions:

- ▶ *Is the program being implemented as expected? If not, why?*
- ▶ *Was the implementation of the program delayed by internal or external problems or obstacles? If so, what were they and what changes should be made?*
- ▶ *Was the program delivery designed in the most effective, efficient, and economic way for achieving the objectives? Is the time that passes between the receipt of applications and the ensuing decision appropriate? Are there some alternate ways of doing things that would improve program delivery?*
- ▶ *If applicable, to what extent is the program delivery by third parties going well? Does this delivery method provide good service to the target clientele?*
- ▶ *To what extent are the funding agreements with third parties appropriate in regard to the measurement of performance, the reporting of results, and the roles and responsibilities?*
- ▶ *Are the stakeholders (program clients, staff, managers) satisfied with:*
 - *the amount of support and/or services provided by the program?*
 - *the administrative procedures leading to the recommendations that are made?*
 - *the time limits for making decisions?*
 - *the success rate?*
- ▶ *What difficulties are being encountered?*
- ▶ *What have the program delivery costs been (administration costs)?*
- ▶ *Is the program delivery method still the most appropriate? Would it be better to consider another responsibility centre?*

4.3.1 Program implementation

Most program managers are of the opinion that the programs were implemented as expected. Of those who offered further comment, and there were very few, some pointed to initial problems in the implementation of the programs, particularly for APC.

A few key informants noted that when APC was implemented, there was some overlap with the CIP clients. A few projects



Program implementation was rushed and placed pressure on staff and applicants.

continued with multi-year funding. Key informants indicated that guidelines on multi-year funding were unclear and that budget uncertainty caused them to be conservative in using this format. Managers expressed reluctance to commit to multi-year funding because a budget reduction could constrain their ability to extend funding to a wider range of applicants in the following years. One program manager noted that of all the groups, they were only able to provide one group with multi-year funding. The expectation that multi-year funding would allow recipients increased ability to plan and take risks was not realized.

A few program managers believed that the current delivery of the Programs is the most effective and efficient way for achieving program objectives. However, others identified potential modifications to the current delivery model of the Programs including:

- ▶ smaller amounts of funding provided to applicants should be processed through a less burdensome process
- ▶ instead of providing contributions with conditions attached, the Programs should consider providing grants when the amount of funding requested is rather small.

4.3.2 Implementation challenges

Among the various categories of key informants that were interviewed for this evaluation, there was general consensus on a number of challenges that have taken place in the delivery of the three programs. The announcement of the Programs in May 2001 left little time to prepare the program delivery. CSC was officially launched in June 2001, APC in July 2001, and the CAHSP in January 2002.

Several key informants suggested that the announcement was made earlier than expected, before the Programs were ready to be rolled out.²⁵ This meant that the Programs had limited opportunity to develop program materials (applications and guidelines) and train staff at the national and regional levels. Some of the delays identified by program managers included:

- ▶ having to wait for Treasury Board approval of the Programs
- ▶ ensuring that the announcements were well timed

²⁵

Canadian Conference for the Arts. "Investment in Canadian Culture."
<http://www.ccarts.ca/eng/04res/Investment.html>



- ▶ budgets and guidelines not being available.

Accordingly, key informants (PCH managers) stated that once funding had been approved, after the prolonged delay, the implementation of the Programs was rushed, with a direct and negative impact on the implementation and initial delivery of the Programs; the first fiscal year was especially challenging. Implementation problems have now been resolved. Program management has created the support systems to overcome these delays.

4.3.3 Issues in the application process

Another challenge identified by most key informants and survey respondents concerned the application process for the three programs. Key informants, especially those who dealt directly with applicants, reported that the application process proved more cumbersome than expected, particularly for smaller organizations. Many organizations rely on volunteers, and smaller groups may have neither the staff nor the experience to complete the applications and support the accountability requirements.

Key informants and survey respondents (applicants) concurred that the application process is difficult.

Case study - Ontario's arts presenter network

In the case study on the development of Ontario's arts presenter network, the Community Cultural Impresarios (CCI) originally experienced some difficulties in understanding the program requirements for APC. However, support from the regional officers at PCH helped the CCI to manage these difficulties and refine its proposal.

As shown in Table 6 below, the survey of successful applicants revealed that almost 60% reported problems in the application process.

Table 6: Problems experienced by successful and unsuccessful applicants with the program application process		
	(n=122)	%
No	51	42%
Yes	69	57%
No response	2	1%



Table 7 lists the most important problems with the program application process experienced by successful and unsuccessful applicants.²⁶

Table 7: Problems experienced by successful and unsuccessful applicants with the program application process		
	(n=69)	%
Unclear eligibility requirements/unclear application process	24	35%
Too much detail required	20	30%
Poor communication/notification of status	8	12%
Time lines	15	22%
Had to modify/restart/adapt our request	4	6%
Difficult to contact program staff	3	4%
Other	7	10%

Note: Respondents could provide more than one answer; total sums to more than 100%.

Most suggestions for improvement call for clarifying, streamlining, or simplifying the application process and eligibility requirements (almost 60%). Additional suggestions provided by survey respondents are indicated in Table 8.

Table 8: Suggestions for overcoming these problems with the program application process		
	(n=55)	%
Clarify eligibility requirements/application process	10	18%
Streamline/simplify application process	22	40%
Better communication/timely response	12	22%
Flexible time lines - project and funding	6	11%
Other	7	13%
No response	4	7%

Note: Respondents could provide more than one answer; total sums to more than 100%.

²⁶

Respondents rated the clarity of several dimensions of the application process on a five point scale, and this table summarizes the numbers who reported a “2” or lower. See Volume 2 for a copy of the questionnaires used.



In an effort to benchmark the application process, PRA examined the forms and processes of two other programs as a basis of comparison. The Multiculturalism Program in PCH and the Annual Operating Grants to Professional Theatre Organizations of the Canada Council for the Arts are possible benchmarks for the three arts programs being evaluated here because these programs represent either a Gs&Cs type approach, and/or funding to the arts and heritage.²⁷ Table 9 subjectively compares these programs on several attributes.

Table 9: Scale of difficulty of the application forms and processes

Program	APC (PCH)	CSC (PCH)	CAHSP (PCH)	Multiculturalism Program (PCH)	Annual Operating Grants to Professional Theatre Organizations (Canada Council for the Arts)
Basic information required of applicants	✓	✓	✓	✓	✓
Program specific information required of applicants	✓✓	✓✓	✓✓✓	✓✓	✓✓✓
Usefulness of guidelines	✓✓	✓	✓✓	✓✓✓	✓✓✓
Clarity of assessment process	✓✓	✓✓	✓	✓✓	✓✓✓
Clarity of program deadlines	✓✓✓	n/a	✓✓	n/a	✓✓✓
Clarity of eligibility criteria	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓✓

Note: The checkmarks are based on a scale from 1 to 3, where 1 checkmark represents low and 3 represents high difficulty/effort.

On balance, it appears that APC, CSC, and the CAHSP align well with the two benchmark programs in terms of difficulty and level of effort needed to complete an application.

4.3.4 Support of PCH personnel mitigates the application process problems

Three out of four respondents commended the support of PCH personnel... but eight out of 10 unsuccessful applicants felt that they did not receive appropriate feedback.

On average, three out of four survey respondents saw PCH personnel as helpful in completing the application process and in providing general advice. Most of the unsuccessful applicants complained of not receiving enough guidance or reasonable feedback on their refusal and would not incorporate such comments into a new application (see Tables 10 and 11). At the same time, half of unsuccessful applicants would still re-apply for

²⁷ Note that the resources for this evaluation precluded an in-depth comparison of the applications used by the three programs with other application processes used by many other firms.



PCH program support due to their importance and uniqueness as a source of funding, suggesting that the other half would not. This mixed result does not support an expanded effort by PCH to expand its support for unsuccessful applicants, unless they reapply and explicitly request assistance. One approach might be for PCH to only offer a more detailed analysis if the applicant submits a preliminary outline proposal and requests feedback. Care must be taken not to invite an increase in workload without attracting a commensurate increase in worthy applications.

Table 10: Survey of unsuccessful applicants - considered incorporating the comments into application and re-submitting it at another time		
	(n=19)	%
No	15	79%
Yes	4	21%

Table 11: Survey of unsuccessful applicants - reasons for not considering incorporating the comments into application and re-submitting it at another time		
	(n=15)	%
Told project was ineligible	2	13%
No direction/guidance given	4	27%
Takes too long to approve projects	1	7%
Too much work to submit application	2	13%
Other	10	67%
Note: Respondents could provide more than one answer; total sums to more than 100%.		



Survey results echoed many of the same concerns relating to delays and complexity of the application process.

Key informants confirmed delays in the decision-making process and approval times as challenges in effectively delivering the programs. The process appears to be equally as complex for large sums as is for small sums of money. Many groups report waiting six months or more for a funding decision. Indeed, survey respondents indicated that, on average, 33 weeks elapsed between application submission and notification. All respondents and key informants believe that this delay is too long. The survey of respondents did not allow any discrimination in elapsed time among the programs, and documentation provided also did not record time between receipt of application and final decision. It is useful to point out that for many applications, the time of submission can be ambiguous, since the process can start months before an application is formally submitted. A key element of the Program is consultation and support to applicants, and indeed, an application may be received and then revised with the advice of PCH managers. If a goal is to nurture groups that historically have not used this form of funding, then the time between first contact and final decision will be longer.

Case study evidence:

Several case studies also illustrate these points:

- ▶ The Vancouver East Cultural Centre (VECC) staff waited five months before receiving confirmation of funding. The VECC had already secured other funding sources but had to delay the start of their feasibility study until they received funding approval from the CSC program.
- ▶ The Yukon Arts Centre faced similar delays which caused cash-flow and programming challenges. More than seven months passed between the time the proposal was submitted, the grant approval, and the receipt of funds.

4.3.5 Delays in decisions impose burdens on participants *and* the Programs

Delays pose problems for recipients, especially if the organization is using several funding sources (e.g., support from other orders of government, donations, etc.) A delayed decision by one funder can require the organization either to finance the balance of the project, pending a favourable decision (and risk not receiving support), or to delay the project, which may jeopardize the relationship with other contributors.

For example, rural and remote clients face important logistical challenges due to their remoteness, small infrastructure, limited population, and important distances separating them from any



major urban centres. Equipment and supplies for CSC projects in the North, for example, must be ordered by January in order to get delivered by sea lift in the summer months. Otherwise, freight cost can easily consume the budget. This is a case that pertains to remote northern communities, but it does illustrate practical issues that many organizations must resolve.

The case studies and key informant interviews underline another risk to the programs in taking too much time to approve projects. This moves the realization of outputs and outcomes further into the future, which will create a situation where the programs appear to fulfil fewer of their expected results.

Of course, accountability for public funds remains important; the key is to create processes that balance all competing interests. The last section of the report offers some suggestions.

4.3.6 Design and delivery difficulties

Several delivery issues are apparent from the above:

- ▶ The shortened implementation period after announcement placed significant strain on departmental resources and undoubtedly created inefficiencies in process. The fact that regional staff needed to “hand-hold” many of the applicants because guidelines were unclear and applications were demanding probably diverted them from other duties. However, many clients are inexperienced, and ensuring access to programs will always require increased support from staff. This also contributes to increased cost (see Section 4.3.9).
- ▶ A long decision process may be a necessary condition for accountability but imposes costs on the organizations and delays the realization of outcomes.



Other examples of difficulties emerge from case studies.

Case study - Vancouver Playhouse: Presentation of *The Far Side of the Moon*

By all accounts, this was a highly successful project that even produced a surplus for the organization.

However, the issue is that the initial funding request included a request for \$45,000 as a “guarantee against loss.” The Department refused to fund this element, ostensibly because it was far too complicated and potentially unacceptable to the Department’s Legal Services and Finance Unit. The refusal to provide a contingency fund reflects an issue in risk management that is discussed below. After the refusal to provide the “insurance,” the applicant restructured the request and produced a surplus of \$33,000.

- ▶ This case study reveals that, in retrospect, a contingency fund to protect against the risk of loss *may* not have been needed. Care is needed in arriving at this conclusion, since had the Program covered the organization against loss, it might have organized or promoted the event differently. This is known in economics as “moral hazard” and is a common feature of insurance. For example, insurance against the loss of theft tends to make one less careful about locking the doors.

Case study - Aurora Arts Society: Feasibility Study

This project involves a feasibility study of an artist-run community centre (cooperative). It has three phases consisting of cultural spaces assessment workshop (Phase 1), engineering and architectural workshop (Phase 2), and business plan (Phase 3).

Organizationally, the project encountered several difficulties. Initially, the applicants were not configured as a non-profit organization and the program guidelines require this form (or similar) of organizational structure before funds can be transferred by CSC. The applicant eventually configured itself as a cooperative to allow it to accept funds from both CSC and a provincial funder.

In this project, PCH staff learned that gathering detailed and timely project information from new and emerging organizations can be a challenge. By all accounts, the project is progressing with strong support from the artist community, but it does require a high level of PCH oversight to ensure that progress continues.

- ▶ In general, risk management is a core challenge facing all three programs. As each program reaches out to new organizations and encourages innovation, the risk of failure increases, and in an era of increased accountability, program managers will naturally tend toward conservative funding. This tension between promoting innovation and access and reducing/managing risk will likely increase as the programs become better known.



Using a contingency fund to shift risk from the organization to the government may be useful to encourage innovation but is a tool that can only be used with very well-developed plans from established organizations. Other forms of risk management include increased reporting and aligning the oversight to the nature of the project, the amount of money, and the experience of the organization (sensitivity, materiality, and risk).

Risk spreading is another approach. These programs all manage risk by never being the sole funder. Euphemistically termed “leveraging,” the reality is that multiple funders manage risk in two ways:

- ▶ First, several adjudication processes validate the worth of an idea, provided that the individual funders do not just follow the lead of a dominant program without an independent assessment. In some instances, one funder may make its awards contingent on the decision of another program.
- ▶ Second, limiting the funding limits the potential losses encountered by a single funding source.

As the case studies show, in few cases is any one of the three programs, APC, CSC, and the CAHSP, the sole funder. PCH may be the sole funder for new organizations, but the general rule is that projects and organizations apply to and receive funding from a spectrum of sources. Most applicants hedge the risks and apply widely to maximize the chances of receiving support.²⁸

Multiple funders impose burdens on applicants, and most application processes favour organizations that have the resources to support several applications. Thus, for a new organization, PCH may need to assume more risk by becoming the majority or even the sole funder if the organization has never received funding. Effective risk management could include ceilings on the amounts awarded to new organizations, or phased funding where success in one phase is a precondition for receipt of support for the next phase. Section 5 addresses this issue in more detail.



Another dimension of risk is that arts and heritage venues exist within a geographic context that directly affects the sustainability of any funding. An important consideration by PCH managers is whether the funding will need to continue in order to reach a target audience, or whether the investment has a reasonable prospect of producing a financially stable venue or activity. Clearly, these considerations need to find their way into any adjudication, but it is not viable to impose this on the applicant. Rather, it underscores the value of close collaboration with those knowledgeable about the socio-economic context of the organization to produce the relevant information upon which to make informed decisions.

Using third parties is yet another risk management strategy (or, more correctly, a risk shifting strategy).

Two case studies, one from Vancouver and the other from Winnipeg, illustrate the varying dimensions of risk that are inherent in the design and delivery of these programs. The community context can alter outcomes, and these factors need to be incorporated into decisions about awarding funding.

Case studies - West End Cultural Centre and Vancouver East Cultural Centre

The West End Cultural Centre (WECC) in Winnipeg received funding to bring in new artists to attract local residents. The audience for the WECC has typically been drawn from outside the Centre's inner-city location by an eclectic mix of folk, "indie" rock, and world music. The funding was to promote a more family-oriented series of concerts to attract the largely low-income residents in the immediate neighbourhood. The organizers believe that they cannot charge because of the low income of the residents.

A challenge is that given the poverty of the target audience, and because the area in which the Centre is situated is low income, prospects are poor that local residents will be able to pay a cost recovery ticket price for concerts. These events have brought new artistic experiences to inner-city families. Such experiences can be important factors in maintaining a community's spirit.

The Vancouver East Cultural Centre (VECC) was founded over 20 years ago in a low-income area (relatively close to East Vancouver, notorious for its drug problems). Because the immediate neighbourhood was low income, like the WECC, audiences generally came from outside the immediate area. In the last five years, the area of "1st and Commercial" has been discovered and is rapidly "gentrifying" with old homes being upgraded to include \$300,000 condos attracting dual-income professionals.

Therefore, the VECC is likely to be increasingly financially sustainable, and investments in infrastructure are likely to have a positive return.

The intent of public sector arts funding is not to support organizations to become profitable and free of the need for public support. However, the three programs – especially the CAHSP – offer *project* support that is intended to assist an organization to



mature and become more sustainable. The project funded for the West End Cultural Centre in Winnipeg had important artistic and social outcomes and is justifiable on these grounds, but to repeat these performances, continuing funding will be needed. In other words, project funding may evolve to become *de facto* operational funding for these performances to continue. In the case of the Vancouver East Cultural Centre, the project may well allow the organization to consolidate its accessibility just when the local neighbourhood is moving upscale and audiences' ability to pay may be increasing.

Another perspective is that each year, project applicants and program managers can elect to continue to promote the project if it is enjoying sufficient support from the community. Arguably, both of these projects are worthwhile. However, in the case of the West End Cultural Centre in Winnipeg, a valuable community event will require sustained funding, and PCH may find itself unable to provide such support within the scope of its funding programs. Refusing future funding for a high-profile community project contains its own manner of risks for the future.

4.3.7 Program delivery by third parties

APC and the CAHSP do have components that support third-party delivery.²⁹ Third-party delivery involves disbursement of funding to a non-governmental entity, which, in turn, awards funding to final recipients. It can expedite the application adjudication process and can also channel funds to small organizations that otherwise might find the process of applying directly to PCH too daunting. Of course, the third party assumes the risk in terms of performance and accountability; however, PCH needs to thoroughly vet the organization and the application.

Few key informants could comment on the delivery of the Programs by third parties. Most of the managers and representatives of other levels of government noted that they are not currently involved in any third-party delivery mechanism as a result of any of these programs.

²⁹

For example: APC supports service organizations and networks for the professional development and networking services they offer on an ongoing basis. The CAHSP offers the Networking Initiative Component, which funds organizations to promote services nationally to a range of organizations.



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Of the key informants who did identify being involved in a third-party delivery agreement, most noted that the process is still preliminary and that it is therefore too early to be able to comment. However, the selected key informants who were willing to offer comments see the third-party delivery mechanism as useful to reach smaller and more remote communities. Key informants believe that the third-party delivery will increase flexibility and reach and reduce delays.



Many of these same key informants expressed the opinion that an alternative delivery mechanism is not needed for the Programs, but modifications of the existing delivery mechanisms may be desirable. For example, some key informants identified third-party delivery as a complementary approach to improve responsiveness of funding, but also noted that care must be taken to ensure that the third-party agencies have the capacity to deliver and manage funding programs.

Case study - Foundation for Heritage and the Arts

In Nova Scotia, the Foundation for Heritage and the Arts administered a sustainability program using funding from the CAHSP. Under this program, the Foundation coaches and trains participating organizations to increase their capacity to manage and grow. The foundation program is designed to “*strengthen the financial, governance, administrative and creative capacity of Nova Scotia’s arts and heritage organizations.*” This is accomplished by financial incentives, technical assistance, and support for strategic and financial planning.

All indications are that this third party delivery has been successful, with high approval ratings from participating organizations. Another measure of success is that the Foundation is advising New Brunswick and Prince Edward Island on the creation of their sustainability programs.

4.3.8 Administrative relationships

Like many PCH programs, the three arts and heritage programs are delivered by a headquarters and regional delivery structure. Clearly, the coherence and effectiveness of communication among regional and headquarters managers is an important aspect of administrative effectiveness.

These programs co-exist with funding provided by other orders of government and the private sector. Therefore, the relationships that exist among these funding sources can be important to promoting effective use of public funds and to minimizing overlap and duplication.

Relationship between headquarters and regional staff

The majority of PCH program managers, at headquarters and in the regions, believe that they have built good working relationships with arts and heritage organizations to deliver the programs.

Program managers believe that the involvement of headquarters and the regions works very well. For the regions, it is important to be on the ground and close to the clients, but still to have the involvement of headquarters because they are national programs.



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The managers in the regions agreed that they have formed a good network among each other. They meet each year to discuss issues, and this is an important mechanism for ensuring consistency across regions.

For APC, CSC, and the CAHSP, working groups have been established to look at challenges that exist at the national level and specific regional challenges. The working groups have representatives from each region as well as from headquarters.

Some key informants believe that there is effective informal information sharing, but that there is a lack of commitment to put decisions down in writing. Regions will get a policy issue resolved with bilateral discussion with headquarters, but this is not shared formally across the regions. There is a need for more general information sharing within PCH, the lack of which has contributed to a prolonged implementation process.

PCH program communication and dissemination tools tend to promote the Programs and raise visibility to mainstream organizations. Survey respondents commented that northern and remote clients do not have adequate Internet access nor easy access to a PCH district officer, which limits their ability to obtain advice. PCH regional officers also have other duties and administrative tasks; they have limited staff time and budget in which to provide the necessary coaching tools to target communities.

Provincial, territorial, and municipal governments

Most representatives from other levels of government agreed that there is a good level of communication with the program managers at the Department. Provincial and municipal governments communicate with PCH in both formal and informal ways. Most respondents believe that they are adequately advised and informed on policy issues. The consultation between the levels of government is good and continues to build.

The Department provided briefings on all the programs after they were announced to the various levels of government. However, the biggest concern raised by a few key informants was the lack of consultation with the other levels of government *before* the programs were announced, with the exception of APC. Key informants who expressed this opinion agreed that if there had been more discussion with the provinces in the development of these programs, this might have increased the Department's ability to meet expected results because more resources could have been coordinated.



In terms of coordinating the efforts to meet the needs of funding recipients, representatives from other levels of government expressed divided responses. Half believe that the coordination efforts between their government and the federal government were solid and involved regular meeting to talk about policy and program concerns. A few key informants pointed out that there is a fair bit of interaction on individual files between program officers in their departments and program officers at PCH.

The other half of this group believe that a lack of a coordinated approach exists between the federal government and the other levels of government. They noted some coordination efforts on rare projects, but they said that this coordination is fairly informal and there is little coordinated decision-making between the various levels. Key informants agreed that all levels of government serve the same clientele and the same activities; therefore, they need a more concerted approach and a true partnership.

Survey respondents also indicated that provincial arts councils have been more effective (than the federal government) in reaching target populations due to their focus on artists, creators, and smaller community-based organizations; less onerous application process; active outreach; and open consultation and needs assessment with target communities. Despite similar challenges in reaching out to target communities, provincial, territorial, and municipal governments have so far managed to target community needs by aligning their application process and communication efforts.

Applicants and funded organizations

As discussed in Section 4.3.4, successful applicants have a favourable view of the relationships with regional PCH staff. In part, this resulted from the need to compensate for hasty implementation. PCH staff needed to spend time in supporting the application process.

An unintended benefit of implementation delays is that PCH staff were able to create positive relationships with applicants. In effect, PCH staff were able to “advocate” for applicants by supporting their application process. Many key informants agreed with applicants and would like to see processes streamlined and made simpler.



4.3.9 Administrative costs

Efficiency in delivering a program may be measured by the ratio of operating costs to the funds available for distribution. Based on data received from program management, Tables 12 to 14 show the planned operational spending for the three programs and their components.

Table 12: CAHSP administrative efficiency				
	2002-03		2003-04	
	Amount	Administrative cost to deliver \$1 of funding	Amount	Administrative cost to deliver \$1 of funding
Stabilization Projects				
Operations	\$470,707		\$445,807	
Net funds available	\$2,180,000	\$0.22	\$3,234,500	\$0.14
Capacity Building				
Operations (<i>Arts</i>)	\$1,236,296		\$1,156,296	
Net funds available (<i>Arts</i>)	\$2,749,093	\$0.45	\$4,674,805	\$0.25
Operations (<i>Heritage</i>)	\$1,277,993		\$1,164,493	
Net funds available (<i>Heritage</i>)	\$2,707,396	\$0.47	\$5,467,967	\$0.21
Cultural Capitals of Canada				
Operations	\$591,761		\$679,353	
Net funds available			\$3,297,843	\$0.21
Endowment Incentives				
Operations	\$211,380		\$216,780	
Net funds available	\$8,279,710	\$0.03	\$11,000,786	\$0.02
Total				
Operations	\$3,576,757		\$3,662,729	
Grants and contributions (actual)	\$5,916,199	\$0.60	\$27,675,901	\$0.13
Source: Derived from data supplied by program management.				

The program cost for the CAHSP varies widely. In general, the Capacity Building Component appears to require extensive consultation with applicants and recipients. However, this consultation can also be considered part of informal capacity building generally, and the costs of awarding these funds should be seen in that light. Cultural Capitals of Canada also has a relatively high administrative cost (\$0.21 and \$0.28 per dollar awarded) for much the same reason as Capacity Building. The other two programs have lower administration costs, possibly because stabilization and endowment involve fewer but larger awards that require less total administrative support.



Table 13: APC administrative efficiency				
	2002-03		2003-04 (to July 17, 2003)	
	Amount	Administrative cost to deliver \$1 of funding	Amount	Administrative cost to deliver \$1 of funding
Total				
Operations	\$2,093,982		\$1,259,718	
Net funds available	\$14,278,881	\$0.15	\$18,465,732	\$0.07

Source: Derived from data supplied by program management.

Table 14: CSC administrative efficiency				
	2002-03		2003-04 (to July 17, 2003)	
	Amount	Administrative cost to deliver \$1 of funding	Amount	Administrative cost to deliver \$1 of funding
Total				
Operations	\$987,068		\$558,830	
Net funds available	\$31,189,580	\$0.03	\$23,153,031	\$0.02

Source: Derived from data supplied by program management.

It is important to understand that any Gs&Cs program will have administrative costs in terms of adjudication and normal project management. Programs such as the three being considered here will typically be more expensive since important objectives are to increase access to groups that traditionally have not participated in such funding. As well, administrative costs associated with accountability have increased, especially in the last few years.

4.3.10 Delivery issues by program

Each program presents unique delivery issues, some of which may require changes in process.

- ▶ APC requires each application to demonstrate how and to what extent it could contribute to expansion and diversification of artistic events and programs.

Organizations reported that they find it challenging to budget for the matching 75% of funding. If the quality and rate of applications decline, reducing this requirement to 50% could be considered, as well as allowing a limited number of recurring events. An argument can be made that



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for some events, such as those produced by the West End Cultural Centre, successive events will be needed over a few years to build the audience and locate matching funds.

In this program, key informants indicated that information flows easily between headquarters and regional offices, resulting in effective and cooperative decision-making.

- ▶ CSC ran out of money early in the fiscal cycle. This produced a high number of unsuccessful applications and probably some disappointment in the community.

The Program does not have stated deadlines, which may lead unsuccessful applicants to wonder about fairness if they are told that funding has been exhausted. As well, the Program does not make regional allocations, which can pressure regions with relatively few staff to process applications in time to access the funding.

Applicants are expected to invest their own resources in detailed feasibility studies and construction plans as part of the application. This places a substantial burden on smaller organizations and can favour larger and more connected groups. One approach is a two-stage process, with a development grant award on the basis of a less rigorous proposal.

- ▶ The CAHSP was particularly rushed, according to key informants. When the funding was made available, the need to process applications tended to favour established groups that could respond quickly.

The application processes used for the various components, especially Capacity Building, tend to be more rigorous than the other two programs since it must be able to cover a wide variety of activities. This poses challenges for both applicants and managers in terms of complexity, but this seems to be an inevitable price for combining diversity in projects with the needed oversight in a Gs&Cs program.

The Endowment Incentives Component appears to be working well, but heritage organizations complained that they are denied access to this component. This is a simple issue of increased funding that PCH senior management may wish to address.



4.3.11 Summary and recommendations on program delivery

Table 15 presents a summary response to each question for this section and is followed by recommendations.

Table 15: Summary on program delivery	
Questions	Findings
<ul style="list-style-type: none"> ▶ <i>Is the program being implemented as expected? If not, why?</i> ▶ <i>Was the implementation of the program delayed by internal or external problems or obstacles? If so, what were they and what changes should be made?</i> 	<p>Although each program experienced some initial implementation delays, which created a rush of activity once overall funding had been approved, key informants reported that operations are now smoother and as expected.</p>
<ul style="list-style-type: none"> ▶ <i>Was the program delivery designed in the most effective, efficient, and economic way for achieving the objectives? Is the time that passes between the receipt of applications and the ensuing decision appropriate? Are there some alternate ways of doing things that would improve program delivery?</i> 	<p>In general, the processes used in administering the Programs appear to be efficient and effective; however, internal audits are currently underway to confirm that.</p>
<ul style="list-style-type: none"> ▶ <i>If applicable, to what extent is the program delivery by third parties going well? Does this delivery method provide good service to the target clientele?</i> 	<p>Third-party delivery has proved successful. Information on third-party delivery is sparse, largely because key informants could only offer impressions. Once again, internal audits would be needed to respond to this question.</p>
<ul style="list-style-type: none"> ▶ <i>To what extent are the funding agreements with third parties appropriate in regard to the measurement of performance, the reporting of results, and the roles and responsibilities?</i> 	<p>See above response.</p>
<ul style="list-style-type: none"> ▶ <i>Are the stakeholders (program clients, staff, managers) satisfied with:</i> <ul style="list-style-type: none"> - <i>the amount of support and/or services provided by the program?</i> - <i>the administrative procedures leading to the recommendations that are made?</i> - <i>the time limits for making decisions?</i> - <i>the success rate?</i> 	<p>Applicants are generally happy with the support from PCH staff. Unsuccessful applicants believe that more information on reasons for rejection should be forthcoming.</p> <p>Two particular administrative issues emerged:</p> <ul style="list-style-type: none"> ▶ Applications are perceived as difficult and costly to complete. ▶ Decision delays are seen as excessive and, in some cases, financially harmful. <p>To judge the success rate requires a standard of comparison. For the summative evaluation, an historical record of success rates would be useful for each program and component as a way to examine this over time. To make this a meaningful measure, it will be important to track perceived application quality as a way to judge whether the arts and heritage community is able to provide worthwhile projects. This is a complex issue that needs to be tackled in the summative evaluation.</p>
<ul style="list-style-type: none"> ▶ <i>What difficulties are being encountered?</i> 	<p>Aside from initial implementation delays and decision delays, the</p>



Table 15: Summary on program delivery	
Questions	Findings
	Programs have not encountered unusual difficulties.
<ul style="list-style-type: none"> ▶ <i>What have the program delivery costs been (administration costs)?</i> ▶ <i>Is the program delivery method still the most appropriate? Would it be better to consider another responsibility centre?</i> 	<p>The Programs cost between \$0.02 and \$0.25 per \$1 of funds awarded. Whether this is high or low depends entirely on whether cost variations match level of support and capacity building offered to the applicants. The delivery method remains viable, but it would be reasonable for the Programs to link the application and adjudication processes to three factors:</p> <ul style="list-style-type: none"> ▶ size of the award (materiality) ▶ experience of the applicant (risk) ▶ profile of the project (sensitivity). <p>This would allow the Programs to balance administrative resource costs with risks associated with a Gs&Cs program.</p>

Recommendations:

- 1. Currently, programs demand the same level of details for small and large projects. To balance access to programs and administrative resource costs, an integrated risk management approach should be implemented, linking the application and adjudication processes to the size of the award (materiality), the experience of the applicant (risk) and the profile of the project (sensitivity). Programs should consider providing grants when amounts of funding are small.**
- 2. The time to process applications for these Programs are within the norms of other PCH Gs&Cs programs. However, the delay is seen as excessive and financially harmful to some organizations. Therefore, the Programs should work with the Department Gs&Cs Centre of Expertise to optimize the administrative processes while respecting accountability requirements.**
- 3. To avoid producing a high number of unsuccessful applicants and creating frustration in the community, the Cultural Spaces Canada Program should consider introducing fixed application deadlines.**
- 4. Components that require applicants to invest significant resources, such as commissioning architectural studies, should consider a two-stage process where a small grant could be provided to allow for design of a full proposal.**



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- 5. Systemic barriers continue to exclude Aboriginal and culturally diverse groups from accessing the Cultural Spaces Canada and the Canadian Arts and Heritage Sustainability Program. Programs should examine whether their application processes are too rigorous and monitor the quality and range of applications to ensure a balance between accessibility and merit of projects.**



4.4 Progress toward achievement of expected outcomes

Each program has expected results and impacts, as shown in Table 16.

Table 16: Overview of program objectives and expected impacts for APC, CSC, and CAHSP		
Program	Objectives	Expected impacts
Arts Presentation Canada	<ul style="list-style-type: none"> To encourage and enable presenters of the arts to expand and diversify the programming and artistic experiences to which Canadians are exposed in their communities. 	<p>The expected impacts of APC are an increase in:</p> <ul style="list-style-type: none"> the number and diversity of performances and professional artists programmed by presenters the number and diversity of artistic experiences facilitated by presenters the number and diversity of audiences served by sponsored organizations the number and diversity of arts presenters in Canada the number of skills and knowledge development opportunities offered to active presenters.
Cultural Spaces Canada	<ul style="list-style-type: none"> To facilitate access to performing arts, the media or visual arts, and heritage collections. To increase and improve the physical resources for artistic creation and innovation. 	<p>Expected impacts resulting from the CSC include:</p> <ul style="list-style-type: none"> improved quality and quantity of available equipment and facilities increased productivity / work effectiveness for users increases in audiences increased level of community use increases in earned revenues.
Canadian Arts and Heritage Sustainability Program	<ul style="list-style-type: none"> To entrench arts and heritage more deeply in community and ensure supply of cultural offerings. To ensure the long-term sustainability of Canadian arts and heritage organizations by stabilizing them and building their capacities. 	<p>The CAHSP is to act as a catalyst to ensure results where arts and heritage organizations:</p> <ul style="list-style-type: none"> have organizational competencies to ensure their development are in a long-term, viable financial situation are well anchored in their community and beneficiary municipalities have a framework (policy) for their undertakings in the cultural sector and to carry out interventions.



Outcomes achievement is a very important issue for any evaluation, but in reality, given the recency of implementation, it is unlikely that any of these programs have realized significant outcomes. More pertinent is whether these programs are creating the necessary conditions to realize outcomes.

This section of the report addresses the following questions:

- ▶ *What demonstrable progress has been made toward achieving preliminary results?*
- ▶ *How are current operations enabling the program to achieve its objectives?*
- ▶ *Are there any constraints that affect the ability of the program to achieve its objectives? If so, what are they?*
- ▶ *Are there any signs that the program or the projects it supports could have unexpected positive and/or negative impacts (e.g., debt levels, duplication)? If so, what are they?*

4.4.1 In general, measuring outcomes is premature

70% of respondents (successful applicants) noted that their projects are ongoing.

Most key respondents agreed that it is still too early to report on results and impacts. The outcomes arising from these programs are inherently long term and may not be realized within the time frame of the contribution agreement. Over 70% of successful applicants that were part of our survey reported that their projects are ongoing.

At the same time, it is clear from the case studies that important outcomes have been realized in the short-term.

Outcomes from case studies:

- ▶ The Vancouver Playhouse Presentation of *The Far Side of the Moon* produced important outcomes in the form of audience acceptance of a Québec playwright whose work was unknown in British Columbia.
- ▶ Despite the question of its financial sustainability, the presentations of the West End Cultural Centre in Winnipeg are increasing access to cultural events.



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There is strong opinion among all groups that the Programs support better access and more diversified programming.

All key informants (regional and headquarters management as well as representatives of recipient organizations) share a strong opinion that the Programs support better access and more diversified programming. Survey respondents (successful applicants) indicated that APC and CSC funding played an important role in increasing the number of performances, in improving the quality and the quantity of their equipment, and in increasing their productivity and work effectiveness. For example, the case study of the Yukon Arts Centre highlights some of these points. APC program funding has played an important role in providing Yukoners with direct access to a more diverse, high-quality, artistic expression through a variety of activities and initiatives.

Two out of five respondents who benefitted from the CAHSP reported improvements in organizational capacity.

On average, two out of five respondents who benefitted from the CAHSP reported improvements in organizational capacity. However, the rest reported that the CAHSP is still very much under development and has objectives that are more long term. As a result, immediate impacts are harder to assess.

Key informants and survey respondents identified a number of current constraints that are preventing the Programs from meeting expected results. They include:

- ▶ administrative burdens and the complexity of forms
- ▶ the lack of tools to measure expected results
- ▶ funding decisions
- ▶ bureaucratic barriers and restrictive eligibility criteria.

Survey respondents also noted that the complexity of the process is having a negative impact on the Programs' ability to reach targeted clientele. A few key informants agreed that the Programs need to clarify the directions of what is expected of clients by the Department as well as how to go about collecting it.

In addition, some key informants noted a lack of joint discussions between all levels of government in terms of aims and objectives. The results that PCH is looking for are similar to those of other levels of government. However, they do not consult as to what results they all should be looking for.

Finally, an average of six survey respondents out of 10 reported positive impacts. Most notably, the Programs contributed to the development of a specific audience, to increasing publicity, and to improving the organizational capacity to attract and hire more artists. Meanwhile, 10% of respondents reported that program



success had a negative impact in which an increase in staff workload was also noted.

4.4.2 Meeting program objectives

For the most part, program managers agreed that the Programs are meeting their initial objectives. Those who offered further comment stated that the Programs are allowing new activities to take place and are reaching into more communities.

Some program managers were of the opinion that APC and CSC are meeting program objectives to a greater extent than the CAHSP, simply because the latter projects have not been completed. These same program managers noted that APC is reaching more communities and is resulting in more diversified programming. For CSC, they saw the Program meeting the needs of communities because the needs were so great. Therefore, the Program has met the needs of those that have received funding. However, for CSC and APC, program managers agreed that one of the obstacles to meeting the Programs' objectives is the lack of resources to fund more applicants and the lack of funds from other orders of government and the private sector. The Programs, especially CSC, are very heavily subscribed to. A clear issue is the potential for the existence of PCH funding to encourage other funders to reduce their commitments. This is a complex issue that deserves more analysis.

Another obstacle brought forth by program managers is that the outcome reporting relies on recipient self-report and collects only very general measures of outcome.

Evidence from case studies:

All the case studies attest to the likelihood that outcomes will be realized, and key informants affirm that audience response has been positive. Some case studies reveal concrete outcomes:

- ▶ The Vancouver Playhouse: Presentation of *The Far Side of the Moon* produced a financial surplus of over \$34,000 (on a total revenue of \$358,000).
- ▶ The Foundation for Heritage and the Arts is being emulated in other provinces and received strong endorsement from participating organizations.
- ▶ Le Domaine Forget is a long established musical venue in rural Québec that has been revitalized, in part, by funding received from PCH. In 2002, it received a provincial grand prize for tourism for an organization with less than \$1 million in revenue.



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4.4.3 The Programs have made some progress in reaching important target groups

Key informant opinions of outcomes are impressionistic. Based on a review of files and reports by funded organizations, it is possible to obtain a general view of how APC and CSC serve their target groups. Tables 17 and 18 are based on information provided by applicants to the two programs based on part of their applications. Therefore, it is fair to say that these reflect *the intent* of the organizations and may not reflect reality after funding. It is also useful to note that these are not mutually exclusive categories and that audiences may typically include those who legitimately claim to be members of some or even all of these target groups. This is evident from the fact that organizations clearly serve more than one target group (i.e., rows sum to more than the total).



Table 17: Audiences specifically served by organizations' activities - Arts Presentation Canada (APC), 2001-02, 2002-03

Province	Organizations		Audiences served							
			Young audience		Off. language minority		Culturally diverse		Aboriginal	
			#(1)	%	#(2)	%(3)	#	%	#	%
New Brunswick	13	37%	10	77%	11	85%	7	54%	2	15%
Nova Scotia	13	37%	7	54%	2	15%	6	46%	1	8%
Newfoundland and Labrador	3	9%	3	100%	2	67%	2	67%	1	33%
Prince Edward Island	6	17%	3	50%	4	67%	3	50%	0	0
Atlantic region	35		23	66%	19	54%	18	51%	4	11%
Québec region	120		77	64%	33	28%	62	52%	15	13%
Ontario region	103		64	62%	24	23%	52	50%	18	17%
Manitoba	13	43%	10	77%	6	46%	7	54%	5	38%
Northwest Territories	4	13%	1	25%	1	25%	3	75%	2	50%
Nunavut	0	0	0	-	0	-	0	-	0	-
Saskatchewan	13	43%	10	77%	3	23%	7	54%	6	46%
Prairie region	30		21	70%	10	33%	17	57%	13	43%
Alberta	31	35%	18	58%	3	10%	20	65%	6	19%
British Columbia	49	55%	31	63%	12	24%	34	69%	16	33%
Yukon	9	10%	5	56%	3	33%	5	56%	6	67%
Western region	89		54	61%	18	20%	59	66%	28	31%
Total: All regions	377		239	63%	104	28%	208	55%	78	21%

Totals may not sum to 100% due to rounding. Organizations could identify more than one audience served by their activities.

(1) Number of applicants; (2) Number of applicants that received funding from APC and that claim to serve this target audience; (3) Percentage of applicants that received funding from APC and that claim to serve this target audience.

Source: Departmental database.



Table 18: Audiences specifically served by organizations' activities - Cultural Spaces Canada (CSC), 2001-02, 2002-03

Province	Organizations		Audiences served							
			Young audience		Off. language minority		Culturally diverse		Aboriginal	
			#(1)	%	#(2)	%(3)	#	%	#	%
New Brunswick	7	32%	6	86%	6	86%	5	71%	4	57%
Nova Scotia	10	45%	8	80%	5	50%	4	40%	4	40%
Newfoundland and Labrador	3	14%	1	33%	0	0	1	33%	1	33%
Prince Edward Island	2	9%	2	100%	2	100%	1	50%	1	50%
Atlantic region	22	100%	17	77%	13	59%	11	50%	10	45%
Québec region	29	100%	18	62%	14	48%	15	52%	7	24%
Ontario region	29	100%	17	59%	11	38%	15	52%	11	38%
Manitoba	16	62%	9	56%	9	56%	7	44%	8	50%
Northwest Territories	2	8%	2	100%	2	100%	2	100%	2	100%
Nunavut	2	8%	1	50%	1	50%	1	50%	1	50%
Saskatchewan	6	23%	3	50%	2	33%	3	50%	3	50%
Prairie region	26	100%	15	58%	14	54%	13	50%	14	54%
Alberta	11	44%	9	82%	7	64%	9	82%	6	55%
British Columbia	13	52%	9	69%	4	31%	8	62%	7	54%
Yukon	1	4%	0	0	0	0	0	0	0	0
Western region	25	100%	18	72%	11	44%	17	68%	13	52%
Total: All regions	131	100%	85	65%	63	48%	71	54%	55	42%

Totals may not sum to 100% due to rounding. Organizations could identify more than one audience served by their activities.

(1) Number of applicants; (2) Number of applicants that received funding from CSC and that claim to serve this target audience; (3) Percentage of applicants that received funding from CSC and that claim to serve this target audience.

Source: Departmental database.

Aboriginal audiences are the least targeted, probably reflecting that relatively few Aboriginal groups apply for funding. As mentioned elsewhere, key informants indicated that few Aboriginal cultural organizations are familiar or comfortable with the structured demands of funding programs and therefore may not be inclined to apply for support.

As part of this evaluation, PRA conducted a survey of regional managers (Reach Survey) that specifically examined how these programs were being extended to target group). In general, Reach Survey respondents believe that PCH's arts, culture, and heritage programs have made a difference in supporting the needs of target



populations. Table 19 illustrates the impact of each program on selected targeted populations.

Table 19: Have the Department’s arts, culture, and heritage programs made a difference in supporting target populations? (n=9)*						
	APC		CSC		CAHSP	
	Yes	No	Yes	No	Yes	No
Aboriginal people	6	2	6	3	3	3
Youth	6	1	5	3	4	1
Non-French/English diverse cultures	3	5	5	3	1	7
Minority language communities	5	2	4	4	5	4
Visible minorities	5	4	3	5	3	5
Rural/remote communities	4	1	9	0	2	4

Note: Respondents could provide more than one answer.
Source: Survey of Regional Managers (Reach Survey).
*Note that nine responses were received, but not all respondents completed all questions. Therefore, the actual sample for any given questions may be less than 9.

Other key points that emerge from the survey include:

- ▶ All regions reported that these programs have been accessed by new organizations previously not associated with the programs. A specific example is the Charles W. Stockey Centre for the Performing Arts in Parry Sound.
- ▶ The reach of the other programs is limited by the fact that they presuppose the existence of organizations that are familiar with the granting process and planning. Many groups in the target community have little familiarity with the processes needed to assure accountability and, therefore, will continue to be unable to access these funds.



In summary, these programs still have some distance to cover to meet their own expectations for increasing access by groups that typically do not participate in arts funding. Program managers are aware that these goals still need to be met but point to the recency of the programming and that some groups, such as Aboriginal organizations, will need continued support to apply for and manage funding under the current framework.

Of the three programs covered by this evaluation, Reach Survey respondents believe that APC has had the largest impact on target communities. It has contributed to the diversification of programming among targeted communities and has supported an increasing number of outreach initiatives targeting youth, Aboriginal, culturally diverse, and francophone audiences.

Key informants believe that the following systemic barriers continue to exclude Aboriginal and culturally diverse groups from accessing CSC and CAHSP funding:

- ▶ limited resources to prepare applications
- ▶ limited resources to implement projects
- ▶ program reporting demands that are perceived as burdensome
- ▶ program criteria that do not take into account the realities of these groups and the client's ways of doing things
- ▶ lack of Internet access.

Among all targeted groups, Aboriginal people reportedly face the most obstacles.

To a very limited extent, it is possible to compare the reach among the three programs:

- ▶ PCH key informants appear to think that APC has made the widest impact thus far. Many organizations have such projects “on the shelf” and therefore can apply quickly. The two other programs require substantially more development to produce a successful application. As well, because APC funds innovation, a wide range of organizations can qualify for funding.

An important emerging issue is whether the barriers to application inherent in CSC and the CAHSP tend to produce better proposals and projects. It is useful to have a natural barrier or hurdle to ensure that organizations submit thoughtful proposals, since this



enhances the chances of success. At the same time, this limits access and, eventually, the impact of the Program. A key task for management at this stage is to consult closely with organizations to determine whether the process is too rigorous and to monitor the quality and range of applications to ensure a balance between accessibility and value of project.

4.4.4 The Endowment Incentive Component appears to be working as intended

The Endowment Incentive Component is facilitating private donations.

Survey results (survey of contributors to endowment funds) indicate that the Endowment Incentive Component (EIC) is facilitating private donations. (See Volume 2 for details on this survey.) On average, three out of four respondents believe that the EIC is very important for arts and heritage organizations (see Table 20).

Table 20: Purpose of the Endowment Incentives Component		
	(n=35)	%
Somewhat important	4	11%
Very important	26	74%
Don't know	5	14%
Note: Total may not sum to 100% due to rounding. Source: Survey of contributors to endowment funds.		



All respondents indicated that they contribute to arts as well as non-arts and heritage organizations. In the case of arts donations, respondents indicated, as shown in Table 21, that their appreciation or love of the arts and heritage and the desire to help a specific arts and heritage organization are by far the two most important factors that encourage them to make a donation to an arts and heritage organization.

Table 21: Factors that encourage or entice making a donation to an arts and heritage organization		
	(n=35)	%
Appreciation or love of the arts and heritage	30	86%
Desire to help a specific arts and heritage organization	30	86%
Broad desire to help charitable organizations or foundations	12	34%
Financial/tax benefits	10	29%
Other	3	9%
Note: Respondents could provide more than one answer; total may sum to more than 100%. Source: Survey of contributors to endowment funds.		

Such love of the arts and heritage and desire to help arts and heritage organizations are clearly more important for the survey respondents than the actual administrative process surrounding the EIC. Table 22 shows that the majority of surveyed EIC donors have, on average, vaguely heard of or do not know the administrative details related to EIC.

Table 22: Endowment Incentives Component awareness ratings (n=35)												
	Purpose of EIC		Types of arts orgs. funded		Application process		Funding eligibility and requirements		Expected results of EIC		Reporting requirements	
	(n=35)	%	(n=35)	%	(n=35)	%	(n=35)	%	(n=35)	%	(n=35)	%
Vaguely heard of it	3	9%	6	17%	5	14%	8	23%	7	20%	7	20%
Familiar with it	14	40%	18	51%	11	31%	10	29%	13	37%	9	26%
Good knowledge	16	46%	6	17%	4	11%	4	11%	11	31%	5	14%
Don't know	2	6%	5	14%	15	43%	13	37%	3	9%	14	40%
Note: Totals may not sum to 100% due to rounding. Source: Survey of contributors to endowment funds.												

Respondents indicated that the matching funds policy is the most significant factor influencing their donations. Table 23 illustrates the factors that influence donation to an arts and heritage organization's endowment fund.



Table 23: Factors influencing donation to an arts and heritage organization's endowment fund		
	(n=35)	%
No influence	3	9%
Matching funds made the decision worthwhile	27	77%
Matching funds attracted more donors	18	51%
Application process led to more preparedness	2	6%
Prospect of more funding was attractive	19	54%
Needs of art groups	2	6%
Other	1	3%
Note: Respondents could provide more than one answer; total may sum to more than 100%. Source: Survey of contributors to endowment funds.		

One out of two survey respondents would re-think future donations if EIC were terminated.

Almost 90% of survey respondents indicated that the EIC has placed arts and heritage organizations in Canada in a stronger and more viable long-term financial situation. Three out of five responded that EIC will influence their future donations, and one out of two would re-think future donations if the EIC were terminated.



4.4.5 Conclusions and recommendations on progress toward outcomes

Table 24 presents a summary response to each question, and is followed by recommendations.

Table 24: Summary on progress toward outcomes	
Questions	Findings
<i>What demonstrable progress has been made toward achieving preliminary results?</i>	Project reports do contain some outcome measures, such as increased attendance and increased revenues from specific events and infrastructure funded by the Programs. Much of the reporting remains at the activity and output level, largely because the Programs need to be more specific about how to measure outcomes. (See Section 4.5 for more details.)
<i>How are current operations enabling the program to achieve its objectives?</i>	After an initial series of delays, the Programs all appear to be operating smoothly. Although some believe that a complex application process can discourage some qualified applicants, and the forms are time consuming to complete, no evidence exists that this is discouraging applicants from proposing worthwhile projects.
<i>Are there any constraints that affect the ability of the program to achieve its objectives? If so, what are they?</i>	Decision delays at the senior level are frustrating applicants, and some reported that this has meant financial hardship.
<i>Are there any signs that the program or the projects it supports could have unexpected positive and/or negative impacts (e.g., debt levels, duplication)? If so, what are they?</i>	No evidence exists of any unexpected outcomes, either positive or negative.

Recommendations:

See Section 4.5.4.



4.5 Adequacy of performance measurement and reporting

This section of the report addresses the following questions:

- ▶ *What monitoring and control procedures have been instituted to measure performance in an effective, ongoing way? Is the performance-related information collected systematically?*
- ▶ *Was enough baseline information collected to evaluate the progress made in comparison with the expected results? If not, what changes should be made?*
- ▶ *Are the program procedures adequate for measuring the impact of the project and the overall program performance? If not, what changes should be made?*
- ▶ *Are the delivery partners/funding recipients reporting on outputs and results achieved? If not, what steps need to be taken to correct this situation?*

4.5.1 Reporting on results achieved

It is worth noting that project outcomes will usually exist at the local or regional level, except for national projects. Through annual reporting, projects should be able to itemize changes produced by the project in terms of new types of events, increased access and production capability, increased capacity to manage organizations, etc. PCH staff advise and assist applicants in preparing proposals and also act as advisors throughout the course of a project, especially to new organizations. Increased capacity, an important outcome of these programs, depends on the support of PCH staff as well as projects funded. In a sense, PCH managers need to report on this activity and its outcome, where relevant.

On the other hand, program outcomes are much more complex to assess. Given that projects are discrete and varied, even within a specific program, aggregating project outcomes to program outcomes represents a substantial measurement challenge. In the face of such diversity and regionalisation of impact, perfecting case studies offers one approach to assessing the outcomes of these projects.

Project and program outcomes are conceptually different. Project outcomes should be recorded in annual reports submitted by recipients.

PCH managers who engage in capacity building should also record outcomes associated with an organization's improved management and organizational abilities.



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The guidelines and application forms used by each program attempt to outline the expected results. Usually, these expectations appear as a series of questions that the applicant must answer in order to receive funding. Potential measures can be deduced by reviewing these questions.

Example: *Arts Presentation Canada* specifies the following questions for its three component programs:

For presenting activities – How and to what extent will the proposed activity:

- a) Contribute to the diversification of programming and/or the variety of artists presented in your community?
- b) Increase the presence of artists from other provinces and/or territories and/or countries?
- c) Increase the number of communities and Canadians reached by the presenting organization through audience development initiatives?
- d) etc.

For audience development initiatives – How and to what extent will the proposed activity:

- a) Increase the number of communities and Canadians reached by the presenting organization?
- b) Contribute to the diversification of the audience?
- c) etc.

For activities related to presenter networking and/or professional development – How and to what extent will the proposed activity:

- a) Increase the number of communities and Canadians reached by the presenters?
- b) Contribute to the diversification of programming and/or the variety of artists presented by Canadian presenters?
- c) etc.

Example: For *Cultural Spaces Canada*, typical questions include:

How and to what extent:

- ▶ Will your project have a positive overall impact on the availability of spaces for artistic creation, innovation or presentation, or for the presentation and preservation of heritage collections?
- ▶ Will your project complement the local and/or provincial/territorial and/or national network of cultural infrastructures for arts and heritage activities?
- ▶ Will your project benefit other artistic and heritage organizations locally and/or in the region, and/or in Canada, or from other countries?



Example: For the *Canadian Arts and Heritage Sustainability Program*, the application form suggests the following potential measures:

- ▶ increased audience
- ▶ increased revenue from own funding efforts
- ▶ completion and execution of a marketing plan
- ▶ increased representation on the board from minority cultural population.

The “outcome” questions posed in the application are useful ways to frame expectations, but the typical arts and heritage organization is going to need additional assistance in developing good measures to report. This is a significant burden and part of capacity building must be guidance from PCH on how to collect and report on these outcomes efficiently. More challenging is the fact that each project represents some uniqueness that will need to be captured by the outcome measures.

Key informants noted that funding recipients tend to report on *outputs* achieved by the Programs such as increased promotion or the creation of a marketing plan.³⁰ The easiest *outcomes* to quantify are projects associated with increased audiences and new events; however, it is usually difficult to attribute increased attendance or new events to any specific donation or contribution, unless PCH is the sole funder. Funding for a project will typically produce immediate outcomes, such as increased audience, and these may persist into the future if participants (artists and audience) value the experience).

Program managers reported that funding recipients gather some outcome data and PCH receives this information in the project report. However, most program managers agreed that the information provided in final reports is basic and usually does not offer much in the way of true outcomes. Representatives of other levels of government echoed this opinion in terms of the reporting on their own programs. Outcomes such as increased attendance or improved fund-raising are often reported, but increased capacity represents a subtle outcome that requires some guidance to verify.

³⁰

An *output* is the direct result of the program activity and consists of products such as a business plan, marketing materials, new facility, etc. An *outcome* is the reaction of audiences to the promotion or event. Outcomes can also include increased fund-raising success because of a marketing plan, better organizational relationships as a result of board member training, etc. Outputs are easy to measure; outcomes are invariably difficult to measure.



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PCH reportedly enforces outcome reporting requirements through the signed contribution agreements with funding recipients. All the projects funded are contribution based, and, therefore, without PCH's approval on reports provided by funding recipients, the last installment of funding will not be released to an organization.

Some program managers believe that contribution agreements allow the Programs to establish a baseline for collecting information. The contribution agreements allow the Programs to specify the requirement data gathering by funding recipients. For example, for APC, one of the conditions for organizations to receive funding in 2002-03 was to give information on their artistic activities during the year prior to receiving their funding. A report that compares the situation of the organizations before and after they received APC funding is expected to be available this fall.

Key informants offered the following suggestions for increasing the flow of outcome reporting from recipients:

- ▶ increased training and support so that recipients understand and present the results (outcomes and not outputs) that they are achieving.
- ▶ clarify expectations PCH has for outcome measures as is being done on the applications for the Capacity Building Component of the CAHSP.
- ▶ Since increasing numbers of funders are expecting outcome measures, several representatives of other levels of government noted that there is a need for common tools among the various levels of government for systematically collecting information. All levels of government serve the same organizations and the same activities, and representatives of these governments believe that a concerted approach in collecting information needs to be developed in partnership with all levels of government. PCH could offer leadership for this endeavour.

Program managers pointed to two baseline surveys undertaken by PCH:

- ▶ The Decima Research Inc. Study "*Arts in Canada: Access and Availability*" was completed in 2001 and is planned to be repeated in the future to assess progress. The findings



will assist to measure progress accomplished on the overall objectives contained in the logic model.

This is a very useful global indicator of progress toward reaching overall objectives of these Programs in general. However, attribution of any change to PCH funding is not possible.

- ▶ Another study, entitled “*Cultural Spaces Canada: National Inventory of Existing Cultural Infrastructure,*” was carried out in 2001. It identifies gaps that existed in regard to regions, clientele, and disciplines and is also a useful global measure. To the extent that regions aggregate information from projects and track changes in total inventory of different types of arts space, it will be possible to attribute such changes to changes in funding. However, only for those projects that PCH funds totally, will it be possible to draw the line between the change in inventory and CSC.³¹

4.5.2 Challenges in performance measurement

Key informants identified several challenges in reporting on results achieved.

- ▶ Reporting still tends to be activity and output driven except where projects lead to easily measurable results (such as increased number of performances, increased attendance, increased revenues). PCH needs to complete an important training process to help clients and managers think in terms of outcomes and results, not just activities.
- ▶ PCH’s expectations when phrased as questions do not communicate the full intent of outcome measurement. In some cases, such as the CAHSP, the Program can offer clear examples of what might constitute outcomes. The other two programs tend to use questions to identify expected outcomes. Several key informants stressed the need for support from PCH in terms of training and reporting expectations.

³¹

One approach is to apportion the net increase based on the proportion of funding. Another, more collaborative, approach is for funders to determine whether the incremental impact will be increased by their funding.



- ▶ A limited capacity exists within smaller and recently formed organizations to collect outcome information. It is difficult for volunteer organizations to report on outcomes and to provide administrative reports as requested; they lack the resources and capacity to measure and provide this information. Alternatives include:
 - offering more support and guidance to these applicants, which increases the cost to PCH
 - reducing the reporting requirements for smaller projects and using grants as a funding mechanism.
- ▶ Some outcomes (e.g., capacity) may not have a satisfactory outcome measure in the short term, especially when many of the projected impacts of the three programs are long-term goals such as increased diversity of audiences and increased stability of arts and heritage organizations. Case studies and illustrations of success may be the best that can be done in terms of outcome measurement.
- ▶ Projects are heterogeneous, even within a program component, which makes it difficult to identify a few common indicators applicable across projects. One approach is to identify a cluster or type of projects (e.g., small renovations, upgrades, and major construction for CSC) and identify general outcomes applicable to this specific type of project.
- ▶ Finally, the RMAFs for each program need to be updated with a more complete treatment of outcomes. While some measurement suggestions exist in these documents, the linkage between project outcomes, program outcomes, and departmental strategic objectives needs clarification.

Review of outcome measures specified in the RMAFs:

- ▶ CSC identifies better working conditions for artists as measured by surveys, yet no provision appears to have been made to execute these surveys. Terms of reference are currently being prepared for these surveys. It also specifies increases in the number of seats in exhibition halls as an outcome, but details on how this data will be collected are not presented.
- ▶ APC identifies an increase in the diversity of presenters (origins and types), but without a baseline inventory of presenters, incrementality in the type of presenter cannot be determined.



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4.5.3 Outcomes issues by program

- ▶ Based on key informant interviews, respondents to the survey, and case studies, APC has had a wide impact in terms of numbers of events and organizations assisted. For the most part, the events supported have successfully attracted new and larger audiences to the venues.
- ▶ Many organizations reported benefitting from the funding offered by the CAHSP. Given the diversity of projects funded and the fact that some activities are inherently long term (workshops), the Program will face more substantial outcome reporting challenges than APC or CSC. As well, with outcomes being diffuse and long term, the cost of detailed tracking can exceed the value of the funding. A good case exists for adjusting reporting requirements to the size of award within an integrated risk framework.



4.5.4 Summary on outcomes and measurement

To reiterate, Table 25 shows the questions that guided this section, each with a short response summarizing the findings.

Table 25: Summary on outcomes and measurement	
Questions	Findings
<i>What monitoring and control procedures have been instituted to measure performance in an effective, ongoing way? Is the performance-related information collected systematically?</i>	<p>Two issues need to be addressed to improve the outcome reporting of these programs:</p> <ul style="list-style-type: none"> ▶ First, and most important, each program needs to translate its expected results into concrete immediate, intermediate, and long-term outcome measures. The RMAFs for these programs operate at a high level of generality and specify neither measures, nor how the data should be collected. <p>The RMAFs for all three programs need to also include a more detailed evaluation plan, with fewer and more tractable measures, and a commitment of resources to create baseline and complete ongoing measurement. A key requirement for these RMAFs is to show how outcomes flow from projects, to program, and then to departmental strategic objectives.</p> <ul style="list-style-type: none"> ▶ The second step is to communicate expectations of outcome reporting to recipients. This may mean: <ul style="list-style-type: none"> - creating a guide for measuring outcomes (and convening workshops) - specifying the outcomes to be measured as part of the project funding - creating a reporting template.
<i>Was enough baseline information collected to evaluate the progress made in comparison with the expected results? If not, what changes should be made?</i>	<p>The Programs have not defined baseline data except for general measures of the overall environment (Decima Survey and Cultural Spaces Inventory). These are useful measures of changes in strategic objectives, but the link between project-program-departmental outcomes needs to be made.</p>
<i>Are the program procedures adequate for measuring the impact of the project and the overall program performance? If not, what changes should be made?</i>	<p>As far as can be determined, projects funded by these programs have not produced unexpected outcomes or effects. However, outcome reporting is weak, which is certainly explained by the need to create the operational structure of the Programs in response to rapid announcements of funding. It is not surprising that specification of outcome measurement and collecting performance measures has lagged somewhat.</p>
<i>Are the delivery partners/funding recipients reporting on outputs and results achieved? If not, what steps need to be taken to correct this situation?</i>	<p>It is apparent from the case studies that some outcomes related to the expected results are possible to discern. In some cases, audience counts and gate revenues have risen (e.g., Vancouver Playhouse), and in other cases, new audiences are being attracted (West End Cultural Centre).</p> <p>Furthermore, the case studies also present a credible attribution line between public funding and project outcomes. The problem is that attribution to PCH financial support is <i>not</i> possible because all projects have multiple sources of funding.</p> <p>Delivery partners (provinces, territories, municipalities) and private funders are not included in the outcome measurement loop.</p>

Recommendations :

1. **Different levels of government often serve the same clientele, sometimes for the same activities. Given the**



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success that Arts Councils have had at reaching target populations, implementing active outreach and less onerous applicant processes, every effort should be made to learn from the successes of these organizations. A concerted approach between different levels of government should be encouraged wherever there is a good match in program outcomes.

- 2. Performance reporting for all Programs needs to be strengthened by:**
 - a) Updating programs' RMAFs and RBAFs. Each Program should translate its expected results into concrete outcome measures; identify fewer and more trackable measures and commit to collect baseline information.**
 - b) Communicating expectations of performance reporting to recipients and provide tools such as guides and templates to simplify the task and build capacity.**



► **Conclusions and recommendations**

5.1 Conclusions

APC, CSC, and the CAHSP are three programs in a quartet of initiatives designed to focus federal support to the arts and heritage community in Canada. They are a sound approach to supporting artists and arts organizations, namely:

- individual creators (Canada Council for the Arts)
- infrastructure (CSC)
- presenters and festivals (APC)
- organizations (CAHSP).

This evaluation considered these three distinct but complementary programs, and, for the most part, the findings pertain equally to all programs. These programs are complementary in the sense that, as a package, they support key elements of arts and heritage organizations. Because of the limited time since implementation and the relatively small numbers of applicants, key informant interviews, program data, and surveys of applicants failed to provide much basis for distinguishing different progress in terms of design/delivery or success in producing expected results. At the same time, the Programs support distinct and specific elements of arts and heritage.

Some important themes do emerge from the evaluation.

5.1.1 The three programs experienced implementation problems

Key informants stated that implementation and delivery issues are common to most newly launched programs. Program guidelines did not exist to guide staff. Staff and applicants had to adapt to the new approach under some duress. Coupled with the desire to widen the reach to include target groups that have typically not participated in this type of funding, and the need to maintain tight control on a Gs&Cs program, it is not surprising that the Programs and applicants had to climb a steep learning curve in a short time.

Initial uncertainty over funding encouraged managers to be cautious and limit multi-year funding awards, despite the fact that such awards would have supported the goal of increasing the financial stability of qualified recipients.

Other implementation issues reported by key informants included:



- ▶ administration that is widely perceived as burdensome; senior management should consider delegation of authority
- ▶ prolonged decision and approval processes that imposed significant burdens on recipients and delayed the realization of outputs and outcomes.

Most of these initial complaints have eased as a result of experience gained in managing the Programs. The long decision-making process continues to vex staff and applicants. Much of the decision-making is centralized, even for modest grants or contributions. Certainly, large awards require careful adjudication to the highest level, but undue delays have the unfortunate effect of bearing heavily on smaller organizations, often the very target groups that these programs are attempting to assist.

5.1.2 The Programs operate in close alignment with other funders

Each of the case studies amply shows that PCH is but one of several funding sources. Even within the public sector, PCH is often a minority funding source, which has several important implications.

First, outcomes cannot be attributed to any given funding envelope. At a conceptual level, this means that any outcomes realized must be shared across all funders, public and private (including the audience that pays admission).

Second, usually no one funding source can be designated as the key, yet PCH is often the “signal” for other public sector programs. Therefore, this gives the decision makers in PCH considerable power to leverage funding by other orders of government. It also increases the importance of the adjudication process used by these programs.

Third, a common outcome across the three programs is the need to develop close working partnerships at two levels:

- ▶ The relationship between regional and headquarters staff is important. Aside from the obvious importance that all federal programming have national and regional coherence, regional managers play a crucial role in fostering the partnerships.



- ▶ Effective partnerships among the three orders of government, foundations, and corporate donors is critical to arts program support. The Endowment Initiative Component of the CAHSP (one of the components on which a separate reading could be obtained) received strong endorsement from the private sector contributors. Developing effective partnerships is an important immediate outcome for all three programs (that is not clearly identified in the RMAFs). In addition to leveraging funding, these partnerships provide important validation of worth for projects.

Consultation currently exists among government, but everyone interviewed by PRA believes that this dialogue can and should increase. Now that the implementation rush has eased, increased contact to cross-validate proposals is important. One particularly important issue is to ensure that investments into structures recognize the geographic context and other socio-economic issues that may affect the outcomes. Close consultation with local partners is likely to offer other important risk information related to organizational viability, an especially important consideration as the Programs try to extend funding beyond traditional recipients.

5.1.3 Integrated risk management is an important issue

The objectives of increasing access to target groups previously under-served by arts funding programs, managing the burden on applicants, and maintaining accountability for public funds requires an integrated risk management framework. Such a framework would rest on the following points:

- ▶ Based on the review of other similar programs, it is apparent that the applications are not too onerous *on average*. Of course, the ratio of application effort to reward (size of award) may not be favourable for some applicants, but that is best determined by monitoring the number and quality of applications to each component. Care will be needed to investigate whether a reduction in applications reflects the calculation by potential applicants that the effort is not worthwhile or that the number of worthy projects has declined. It is possible that the application



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effort is too great for smaller organizations, but an integrated risk management program does not necessarily adjust the application effort to the nature of the organization, although, as argued below, organizational attributes do play a role.

Therefore, a general reduction in application burden is not recommended. However, for applications that require a significant investment by the applicant, such as commissioning architectural plans, one improvement would be to use a two-stage process with a proposal development grant being awarded to prepare the full applications.

- ▶ Increasing the clarity of guidelines and providing support to applicants, especially those in the target groups, is a useful approach. Such coaching builds capacity and increases the information possessed by managers on the integrity of the applicant. This is also valuable information in determining the size and nature of the award and fitness of the applicant. Managers may decide after a period of coaching not to award funding because the applicant is clearly not ready.
- ▶ It makes sense to link the application and adjudication processes to three factors:
 - size of the award (materiality)
 - experience of the applicant (risk)
 - profile of the project (sensitivity).

Under this integrated risk framework, the adjudication and reporting processes should be determined solely by these attributes. Small awards to established organizations that fall into a typical activity require less management oversight than any larger application. Innovative projects or applications by recently created entities need more management. Such a framework needs to be developed in the context of a revised RBAF.

It is important that the application and adjudication processes reflect solely the need to acquire information to manage the risk associated with funding external organizations. Any aspect of the delay that is caused by other considerations does not serve the interests of the programs or applicants.



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The final aspect of risk management deals with innovation. While flexibility and new approaches are welcomed automatically, care is needed to ensure that the structure of funding does not offer the wrong incentives. The application for a guarantee against loss by the Vancouver Playhouse represents an innovation that could produce adverse outcomes and reduce the incentive for the recipient to take appropriate steps to maximize impact.

In a sense, the application process is a test of organizational fitness. To streamline across the board could increase the burden on managers and increase the risk of poor investments. It is better to structure the application and oversight using the principles of risk management and to offer increased support for organizations seeking more substantial funding.



5.1.4 Outcome measurement could be stronger

A central conclusion of this evaluation is that while key informants reported that the Programs are making progress toward reaching goals, more work needs to be done to collect outcome data to support a summative evaluation. Although some project reports do present outcome information, specific measures that will likely prove useful for the summative evaluation include:

- ▶ potential quantitative measures of audience acceptance as measured by gate revenues associated with funded projects, audience surveys (which will require that organizations share subscriber lists with PCH to support surveys), and direct observation by PCH staff (or their designates) at events
- ▶ partnerships as measured by consultations, information sharing, cooperation on evaluations, and joint adjudication
- ▶ artist surveys, interviews, and focus groups
- ▶ case studies to show needed diversity of performances, increased organizational capacity, and growth of endowment funds
- ▶ increased usage of venues, elimination of code violations, etc.

Data collection techniques could include annual surveys of audiences at selected projects/events, surveys of artists associated with funded projects, surveys of private donors, and case studies. A key element of any performance/evaluation plan is that data collection must occur each year to allow the summative evaluation to “roll-up” the results.

Program managers often resist allocating funds to evaluation and performance measurement since applicants (and managers) argue that funds should be spent on programs and not measurement. Aside from the need to verify that public funds are being properly spent, effective evaluation serves a strategic role. Credible demonstrations that the public and private (non-gate) revenue produce positive outcomes will encourage future funding. Thus, organizations that can demonstrate value for money in their programming increase their fund-raising capacity.



The final point is basic. Attribution of outcomes solely to PCH funding is not possible because it typically is a joint funding agent. PCH can play a useful role in coordinating the outcome reporting on behalf of all funders (public and private), who would probably welcome such leadership.

This raises a strategic issue for all funders. How long should projects/organizations be subsidized if gate revenues are a low (say less than 25%) portion of total revenue? Many artists reject ticket sales as an appropriate outcome measure of success; however, for public and private funding agents, events/organizations that cannot attract sufficient patronage from the community may be indicating a low social value for project. The West End Cultural Centre in Winnipeg, where admission was free, could be justified for several successive events, but it is doubtful that this situation could be acceptable for, say, 10 years.

5.2 Recommendations

- 1. Currently, programs demand the same level of details for small and large projects. To balance access to programs and administrative resource costs, an integrated risk management approach should be implemented, linking the application and adjudication processes to the size of the award (materiality), the experience of the applicant (risk) and the profile of the project (sensitivity). Programs should consider providing grants when amounts of funding are small.**
- 2. The time to process applications for these Programs are within the norms of other PCH Gs&Cs programs. However, the delay is seen as excessive and financially harmful to some organizations. Therefore, the Programs should work with the Department Gs&Cs Centre of Expertise to optimize the administrative processes while respecting accountability requirements.**
- 3. To avoid producing a high number of unsuccessful applicants and creating frustration in the community, the Cultural Spaces Canada Program should consider introducing fixed application deadlines.**
- 4. Components that require applicants to invest significant resources, such as commissioning architectural studies,**



should consider a two-stage process where a small grant could be provided to allow for design of a full proposal.

5. **Systemic barriers continue to exclude Aboriginal and culturally diverse groups from accessing the Cultural Spaces Canada and the Canadian Arts and Heritage Sustainability Program. Programs should examine whether their application processes are too rigorous and monitor the quality and range of applications to ensure a balance between accessibility and merit of projects.**
6. **Different levels of government often serve the same clientele, sometimes for the same activities. Given the success that Arts Councils have had at reaching target populations, implementing active outreach and less onerous applicant processes, every effort should be made to learn from the successes of these organizations. A concerted approach between different levels of government should be encouraged wherever there is a good match in program outcomes.**
7. **Performance reporting for all Programs needs to be strengthened by:**
 - a) **Updating programs' RMAFs and RBAFs. Each Program should translate its expected results into concrete outcome measures; identify fewer and more trackable measures and commit to collect baseline information**
 - b) **Communicating expectations of performance reporting to recipients and provide tools such as guides and templates to simplify the task and build capacity.**