
CANADIAN MUSEUM *for* HUMAN RIGHTS
MUSÉE CANADIEN *des* DROITS *de la* PERSONNE

SUMMARY OF CORPORATE PLAN AND
OPERATING AND CAPITAL BUDGETS
2008-2009 TO 2012-2013

Canada

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PREAMBLE

Parliament approved the establishment of the Canadian Museum for Human Rights through amendments to the *Museums Act* on March 13, 2008. The Legislation came into force on August 10, 2008 and the Government appointed the Museum's first Board of Trustees on August 27, 2008. To support the Board's efforts to develop its first interim Corporate Plan within a short time frame, a small Transition Team prepared a preliminary draft—a starting point for the Museum—which the Board thoroughly reviewed, debated and revised. The Board approved the Plan at its inaugural meeting on September 3, 2008. The Plan was subsequently approved by the Governor in Council.

Since that first meeting, the Board has been hard at work setting the course for the coming years and refining its plans for the construction of a landmark facility in Winnipeg, the development of innovative and thought-provoking programming and the establishment of a sound governance and accountability framework. Throughout the Board's deliberations, information has continued to evolve, and the Board's plans have become clearer. The results will be fully reflected in the corporation's next Corporate Plan—currently under development—which will be submitted to the Minister early in 2009.

During the period leading up to the creation of the Museum, the Minister and the Department of Canadian Heritage provided invaluable support and made public funds available for the purpose of establishing the corporation. The Board of Trustees of the Canadian Museum for Human Rights expresses its sincere appreciation to the Minister and the Department of Canadian Heritage for their tremendous support; support that has made it possible for Canada to launch an historic journey to create the Canadian Museum for Human Rights.

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1. CORPORATE PROFILE

1.1. MANDATE, VISION AND VALUES

1.1.1. MANDATE

Parliament established the mandate for the Canadian Museum for Human Rights (the Museum; CMHR) through amendments to the *Museums Act* in March, 2008. The purpose of the Museum is:

“TO EXPLORE THE SUBJECT OF HUMAN RIGHTS, WITH SPECIAL BUT NOT EXCLUSIVE REFERENCE TO CANADA, IN ORDER TO ENHANCE THE PUBLIC’S UNDERSTANDING OF HUMAN RIGHTS, TO PROMOTE RESPECT FOR OTHERS AND TO ENCOURAGE REFLECTION AND DIALOGUE.”

The Museum’s public policy role is articulated in the preamble of the *Museums Act*, which states that, “Each [National Museum]:

Plays an essential role, individually and together with other museums and like institutions, in preserving and promoting the heritage of Canada and all its peoples throughout Canada and abroad, and in contributing to the collective memory and sense of identity of all Canadians; and

Is a source of inspiration, research, learning and entertainment that belongs to all Canadians and provides, in both official languages, a service that is essential to Canadian culture and available to all.”

1.1.2. VISION

A key priority of the Board of Trustees within the first few years of the Museum’s creation will be to establish a collective, compelling vision that articulates the long-term aspirations for the unique role that the CMHR will play in the promotion of human rights in Canada and abroad. This work will require reflection and thoughtful discussion, and the Board hopes to make progress towards its development prior to the submission of the next Corporate Plan.

1.1.3 VALUES

The establishment of the Canadian Museum for Human Rights embodies Canada's commitment to a set of values associated with democracy, freedom, human rights and the rule of law. Organizational values such as objectivity, innovation and inclusiveness must underpin all activities of the Museum so that its operations mirror and advance its mandate. The Museum's mandate and status as a national institution also confer a set of principles based on accountability and transparency, national accessibility and engagement, collaboration, corporate citizenship and sound research and scholarship.

The nature of the issues to be explored by the Museum will be sensitive, and the Board and Management recognize the need to move beyond the implicit by debating and reaching consensus on a clear statement of values unique to the Museum. They also acknowledge the need to agree on the means by which the organization will embrace these values in its day-to-day actions and decision-making. This work will be fully elaborated in a future Corporate Plan.

1.2. HISTORY

On February 11, 2008, the Government of Canada added a chapter to the story of human rights by introducing legislation in Parliament to create the Canadian Museum for Human Rights. The *Act to Amend the Museums Act*, which received Royal Assent on March 13, 2008, also established the Museum as the first national museum to be created since 1967 and the first to be located outside of the National Capital Region.

The Museum began as the dream of the late Israel Asper, who envisaged a museum, located in Winnipeg, dedicated to the exploration of Canadian and International human rights issues, from both a historic and a present-day perspective. In 2002, the Friends of the Canadian Museum for Human Rights Inc. (the Friends) registered themselves as a charitable foundation to act as a proponent for the establishment of a Museum for Human Rights, to be built at the Forks where the Red and the Assiniboine Rivers converge. The Friends conducted a feasibility study, largely funded by the federal Government, which confirmed that a museum dedicated to human rights in Winnipeg was a sustainable proposition.

In 2003, signaling its strong support for the proposed Museum, the Government of Canada announced a capital commitment of \$30 million. This was to include \$3 million for project planning to be provided immediately, and \$27 million to be placed in a trust account for building construction and related costs, with oversight by Western Economic Diversification. Over the next two years, the Friends carried out an extensive fundraising campaign—making a commitment to raise \$105 million for the project—and launched an international architectural competition for the building's design. The competition, which attracted sixty-two proposals from twenty-one countries, was a three-step process, overseen by both technical review and architectural review committees.

In 2005, the Friends announced Antoine Predock Architects as the competition's winner and the federal Government made a further commitment of an additional \$70 million in capital funding.

In April 2007, the Prime Minister announced the Government's intention to establish the new Museum as a national cultural institution by amending the *Museums Act*, and made a commitment to provide annual operating funds. At that time, the Government also signed a Statement of Intentions with the four public and private stakeholders who were committed to contributing to the project:

- The Province of Manitoba agreed to provide \$40 million in cash;
- The City of Winnipeg announced a contribution of \$20 million including cash and contributions in kind;
- The Forks Renewal Corporation agreed to transfer land to the federal government for the museum at the Forks in Winnipeg; and
- The Friends re-affirmed their commitment to raise \$105 million for the project, a goal towards which significant progress has been made.

These arrangements were confirmed in a Definitive Agreement, signed by the Minister of Canadian Heritage on behalf of the Government and the four stakeholders, on February 1, 2008, proposing to Parliament the first national museum ever to be created with contributions from a province, a city and private donors.

The Definitive Agreement set forth in detail the terms, provisions and conditions for the parties' undertakings. It further stipulated that any Board of Trustees created pursuant to the *Museums Act* would be fully accountable for the Museum, including for all decisions related to the final building design and content and guiding the strategic direction of the Museum and the building project.

In October 2007, the Government of Canada appointed an Advisory Committee for the CMHR, charged with providing advice to the Minister of Canadian Heritage and the first Board of Trustees. To develop its recommendations, the Advisory Committee consulted Canadians widely through focus groups and the internet, hearing the views of over 2500 individuals and groups. The Committee submitted its report, which included 78 recommendations, in March 2008.

The amendments to the *Museums Act* received Royal Assent in the early spring of 2008 and came into force by Order in Council on August 10, 2008. The Governor-in-Council appointed the Board of Trustees on August 27, 2008 and the Government has launched a search that will allow it to appoint the corporation's first CEO.

1.3 GOVERNING LEGISLATION

The Canadian Museum for Human Rights is a distinct legal entity, wholly-owned by the Crown, which operates at arm's length from the Government in its day-to-day operations and its activities and programming. As a Crown corporation and as a member of the Canadian Heritage Portfolio, the Museum contributes to the achievement of the Federal Government's broad policy objectives.

The Museum is governed by the Crown corporation control and accountability regime established under Part X of the *Financial Administration Act*. The Museum is also required to comply with a range of provisions in other statutes, including: the *Federal Accountability Act*; the *Access to Information Act*; the *Privacy Act*; the *Multiculturalism Act*, the *Criminal Code of Canada*; the *Official Languages Act and Regulations*; and the *Canada Labour Code*, among others.

1.4 GOVERNANCE STRUCTURE

Under the *Museums Act*, the Museum's Board of Trustees serves as its governing body and is accountable to Parliament for the stewardship of the Museum, through the Minister of Canadian Heritage. The legislation provides for an eleven-member Board, who are appointed by the Minister with Governor in Council approval.

The Board of Trustees provides strategic direction and oversight to the Museum and holds Management accountable for the day-to-day management of the Museum's performance, its long-term viability and the achievement of its objectives. In the absence of a CEO during the early period of the Museum's operations, the Board has appointed a Chief Operating Officer to whom it has authorized the key functions which would normally be those of the CEO.

During the first year of this Corporate Plan, the Museum expects to recruit up to 20 FTEs through full-time staffing, secondments, and contractual arrangements.

1.5 PROGRAMS AND ACTIVITIES

As required for all federal organizations, the Museum has developed a Program Activity Architecture (PAA). The proposed PAA contains the following three key activities and their respective sub-activities:

- **Museum Content and Program;**
- **Accommodation;** and
- **Stewardship and Corporate Management.**

The following section provides an overview of each Program Activity. Further detail on the precise nature and orientation of these activities will be elaborated in future Corporate Plans, while further information on short-term priorities is contained in the section on Objectives, Strategies and Performance Measures.

1.5.1 MUSEUM CONTENT AND PROGRAM

The CMHR is breaking new ground; there is no precedent for a museum of this nature. The observations of the Minister's Advisory Committee give a sense of the complexity of the work involved in developing the Museum Program:

"[The Museum] has the potential to serve as our national brain trust, intellectual fountain and knowledge depository for human rights—an institution that engages and empowers Canadians and visitors from all walks of life to combat prejudice, intolerance and discrimination. It will be called upon to be a people-friendly and welcoming place for all ages, genders, abilities, cultures and beliefs."

The Committee emphasized further the imperative for the Museum to be, and to be seen to be, a museum for all Canadians.

In its early years, the Museum's leadership will be expending considerable energy to establish an innovative and unique Museum program, under the umbrella of the following sub-activities:

- Sound Research and Scholarship;
- Accessible and Engaging Exhibits and Educational programming;
- National Outreach, Engagement and Service; and
- Strong Marketing and Communications.

1.5.2 ACCOMMODATION

The Accommodation Activity comprises two sub-activities:

- Capital Construction; and
- Building Operations.

The Museum will be built at the Forks, a breathtaking, national historical site situated at the junction of the Red and Assiniboine Rivers in Winnipeg. The facility is intended to be housed in a world-class, treasured landmark; a structure designed to inspire generations of Canadians and international visitors.

To this end, the Museum's Board and Management Team will be heavily invested during the early years of the planning period in managing all stages of the capital construction project leading to its commissioning and public opening. The Board will be fully accountable for overseeing all aspects of the building project, including choosing the final design, establishing the time-frames for construction and managing risks throughout.

By the time the facility opens, the Museum will also need to have established the appropriate mechanisms to provide for effective, efficient operations and maintenance and its ongoing security, accessibility and sustainability.

1.5.3 STEWARDSHIP AND CORPORATE MANAGEMENT

The objective of the Stewardship and Corporate Management Program Activity is to ensure the private and public funds invested are managed in a transparent, accountable manner; that resources are effectively deployed, developed, directed, administered and controlled; and that the Museum optimizes the value it contributes to Canadians and Canadian society. It includes three key sub-activities:

- Corporate Governance;
- Administration; and
- Revenue Generation and Private Sector Fundraising.

As it takes the new Museum from concept to reality, the Museum's leadership will adopt best practices in corporate governance and administration to provide for the sound and rigorous stewardship of its resources and value for money for the public and private funds invested in the corporation. A key early priority will be to recruit the necessary talent to permit the Museum to attain its goals, both during the transition period and once the Museum is open to the public.

Other key activities in the early years will be to put in place the appropriate structure, processes, policies, practices and tools—particularly in the areas of financial, human and information management—to allow it to excel in the delivery of its mandate; achieve results effectively and efficiently; be accountable to Canadians for results; and comply with applicable legislation and Government policy.

The Government expects that its national museums will build the capacity to raise private sector funds and generate revenues, and these objectives will be pursued with vigour by the Museum. The Board of Trustees will be establishing a mechanism to raise private sector funds, and will need to make decisions early in the planning period to establish the most appropriate way forward.

Given the tremendous success the Friends have had in raising capital funds, the Museum will explore the possibility of a longer-term relationship with the Friends, among other potential options. The Museum is also committed to optimizing its revenue-generation capacity once it is open to the public.

1.6 ASSETS

1.6.1 REAL PROPERTY

The Museum will be built on two parcels of land in Winnipeg, transferred from the City of Winnipeg and the Forks Renewal Corporation for the sole purpose of building and maintaining the CMHR. The Museum has also leased office space in Winnipeg to house staff during the transition period.

1.6.2 FINANCIAL RESOURCES

This section provides an overview of the anticipated resources available to the Museum over the planning period. Further detail is contained in the section on Financial Statements.

CAPITAL FUNDS

Of the \$30 million announced by the Federal Government in 2003, \$3 million was made available immediately for project planning, and \$27 million was placed in an interest-bearing trust account, with oversight by Western Economic Diversification. A portion of these funds has been dispersed to the Friends, for the purposes of design and development, preliminary architectural commitments and environmental assessment. The remainder—approximately \$20 million as at July 1, 2008—has been returned to the CMHR on behalf of Canada. The \$70 million subsequently committed to by the federal government is to be allocated over three years.

The cash contributions made to date by the contributing parties (plus accrued interest) currently reside in an Escrow Account, to be released to the corporation as long as it has signed a construction contract before April 1, 2011. Another condition—that the Museum be established as a national museum—has already been met with the amendments to the *Museums Act*. The remaining cash contributions will be contributed as per the schedule established in the Definitive Agreement.

OPERATING FUNDS

The Federal Government has assumed responsibility for the annual operating budget of the Museum, which had been estimated by the Friends at \$21.7 million, based on their analysis of the cost of running a private museum. The Government of Canada has approved an initial allocation for the first two years and requested that the Museum return to Government with a detailed operating budget by 2009.

In developing the detailed operating budget, there will be a number of challenges. The Museum will need to have in place the necessary resources to consult extensively with Canadians; to open quickly; and to become a fully operational Crown corporation with all of the necessary accountability mechanisms.

A key issue will be that the operating budget estimated by the Friends for the year after the Museum opens did not take into account the requirement of national museums to make Payments-in-lieu-of-Taxes (PILT). Unlike private museums, national museums, under the *Payments in Lieu of Taxes Act*, are required to pay to municipalities an amount equivalent to municipal and school taxes.

Based on estimates provided by the Province of Manitoba, PILT is estimated to be in excess of \$5 million annually. This liability would consume one quarter of the proposed operating budget. The Museum will be looking for ways to resolve this significant financial challenge. The budget will also need to take into consideration the fact that operating costs associated with the building will increase over time as a result of inflation.

Upon opening, the Museum will be in a position to partially offset some of its operating costs through fundraising and revenue-generation. Further analysis is required to project the scope for revenue generation. These projections will be reflected in future operating budgets the Museum presents to the Government.

INTERIM FUNDING

The Department of Canadian Heritage provided financial support during the period between the Prime Minister's announcement in April 2007 and the establishment of the corporation in August 2008. The Corporation will reimburse the Department for the funds expended on the corporation's behalf once appropriated funds flow to the corporation. The Department of Canadian Heritage has also dedicated invaluable resources to bring the Museum to the point at which the Museum was established and a Board of Trustees could be appointed.

The remaining portion (approximately \$20 million) of the \$30 million in federal capital funding previously provided to the Friends of the Canadian Museum for Human Rights has been transferred to the CMHR Corporation. The Corporation is using these funds, some of which will be held in a short-term investment account, to cash manage operational and capital costs until Parliament approves its appropriations for 2008-2009.

2. STRATEGIC ISSUES FOR THE PLANNING PERIOD

The Museum's primary objective is to achieve the mandate established for it by Parliament in the most effective way possible. This section outlines the environment in which the Museum expects to be operating, and the resulting key strategic issues facing the Museum during its first years of operations. It forms the basis on which the Board and Management have defined their key objectives and strategies for the planning period.

2.1 ENVIRONMENTAL SCAN

The environment in which the Museum will conduct its business will have a direct impact on its success. Both external and internal factors will affect the Museum's ability to construct its facility within budget, to attract visitors to the Museum once it has opened its doors, to recruit and retain a skilled and professional workforce and to fund its ongoing operations. The following summarizes the external strengths and weaknesses—as well as the internal opportunities and threats—facing the Museum.

2.1.1 EXTERNAL ENVIRONMENT: STRENGTHS

Despite some challenges, the external environment in which the Museum is being established is overwhelmingly strong, particularly in light of the significant public and private support it has garnered to date. Highlights are as follows:

STRONG GOVERNMENT SUPPORT AT ALL LEVELS

The Federal Government has clearly demonstrated its commitment to human rights and to the establishment of a national institution to be a focal point for celebrating Canada's human rights achievements and for acknowledging its past.

The 2006 Speech from the Throne stated "this Government is committed to supporting Canada's core values of freedom, democracy, the rule of law and human rights around the world." Within a year, the Prime Minister had announced the Government's intention to create the Museum, and committed to fund its operations in addition to the \$100 million in capital funds previously pledged. Parliament passed the Government's proposed legislation amending the *Museums Act* within a matter of weeks.

The Province of Manitoba and the City of Winnipeg have similarly demonstrated their strong commitment throughout the Museum's evolution, including through their cash and in-kind pledges. The governments of Manitoba and Winnipeg, along with the Forks Renewal Corporation, have further undertaken to address

transportation and parking issues associated with the Museum. Tremendous support for the Museum has also come from significant local stakeholders, including the Provincial and Municipal tourism authorities, the Manitoba, Winnipeg and Aboriginal Chambers of Commerce, the Winnipeg Convention Center and Winnipeg's key museums and cultural institutions. The Museum recognizes the importance of these relationships and is committed to furthering them throughout the Museum's evolution.

STRONG PRIVATE SUPPORT AND FUNDRAISING

The creation of the Museum has been heavily supported by the Friends of the Canadian Museum for Human Rights, which was incorporated following the Asper Foundation's announcement that it was launching a project to create the Museum. Since that time, the Friends have worked tirelessly to garner government support and have carried out an extensive fundraising campaign, committing to raise \$105 million for the project. As measure of Canadians' support for the CMHR, the Friends had already raised more than 90% of its goal as of September 2008.

STRONG PUBLIC SUPPORT

While the Museum has its detractors, strong support for the CMHR has come from individuals, rights organizations and ethno-cultural community groups. Extensive public consultations by the Minister's Advisory Committee revealed strong support from the general public. Furthermore, surveys taken in 2003 (Ekos) and in 2006 (Environics) indicated that most Canadians feel strongly about the protection of rights and freedoms; that the current global human rights issues are of great concern, particularly to young Canadians; and that the "shared understanding that all Canadians are equal under the law" is very important to strengthening their sense of being Canadians.

The support of the local Aboriginal community is critical to the Museum's success. In 2002/03, the Department of Canadian Heritage awarded a grant to the Asper Foundation to engage the National Chief of the Assembly of First Nations to identify major stakeholders in the Aboriginal community and advise on how best to consult with Aboriginal peoples. The Museum's Transition Team has established an ongoing, constructive dialogue with Aboriginal Elders representing five linguistic groups, and the corporation is committed to maintaining strong and important relationships with First Nations. The Aboriginal Elders blessed the site with a smudging and pipe ceremony on May 20, 2008.

LOCATION

The site chosen for the museum includes approximately nine acres of prime real estate located at the Forks in Winnipeg. The Forks is the city's premier tourist attraction, with over four million visitors each year. It is a vibrant downtown Winnipeg setting where people gather for celebrations, recreation and to meet one another. It encompasses an interpretive park, revitalized historic and new buildings and offers numerous year-round outdoor and indoor attractions.

2.1.2 EXTERNAL ENVIRONMENT: CHALLENGES

There are also numerous challenges inherent in the environment in which the Museum will be operating. The Museum will need to design its strategies and plans in a way that responds to these challenges:

CONTROVERSIAL SUBJECT MATTER

The nature of any public discourse on human rights is controversial, political and heavily value-laden. It will be important for the Museum to develop a reputation for integrity in its exhibitions, research and scholarship and to develop mechanisms to engage as a wide set of perspectives as possible, to present multiple perspectives objectively and to respond to the inevitable criticism it will face. As other institutions memorializing such traumatic events as the Holocaust and 9/11 have found, the best way to make sense of, find meaning in and learn from these unthinkable atrocities is to encourage public debate and to acknowledge the wide variety of legitimate, if not always consistent, perspectives.

MUSEUM DETRACTORS

While the Museum has garnered a broad spectrum of public supporters, it also has its detractors. Opposition has primarily come from individuals and organizations who oppose some more contemporary perspectives on Human Rights. Others have expressed concern that the Museum will focus only on one or two events in Human Rights history and/or will only present one perspective. In some cases, separate organizations from the same community have expressed diverging opinions on the project. The Museum will need to be in a position to respond to criticism and to manage the public opinion risks associated with its detractors.

HIGH EXPECTATIONS

On the other hand, the Museum's supporters hold extremely high expectations for the Museum, which will also need to be managed. For example, the recommendations contained in the Advisory Committee's Report are extremely comprehensive; they reflect very ambitious aspirations that are likely not all affordable, at least in the short-term. It will be important for the Museum to find ways to manage these expectations, and, at the same time, to continue to engage and consult Canadians.

INFLATION

The budget for the building project is highly vulnerable to the impact of inflation in the construction industry; every month of delay in tendering the building contract erodes the purchasing power of the funds by an estimated \$1.25 million. To maximize the investments of Canada and the other contributors, it will be necessary to move as quickly as possible to finalize the building design and initiate construction of the new museum and to adopt appropriate risk mitigating strategies.

As with any building operation, operating and maintenance costs will increase over time. The impact of inflation will be taken into account as the Board allocates its operating budget.

HISTORIC NATURE OF THE SITE

The Heritage Advisory Committee of The Forks has confirmed that a large number of artifacts likely exist on the site and that arrangements need to be made for their long-term storage and care. An archaeological salvage was initiated in June 2008 in accordance with a permit obtained from Manitoba under the *Heritage Resources Act*. The salvage was undertaken in consultation with Aboriginal organizations, the Heritage Advisory Committee of the Forks and the Province of Manitoba. A screening decision under the *Canadian Environmental Assessment Act* has also been made and the project has authority to commence.

PAYMENTS IN-LIEU OF TAXES

As noted above, the Friends' estimate for the operating costs of the Museum, on which the Government is basing its expectations for ongoing support, did not take into account the Museum's obligation to make Payments in-lieu of Taxes (PILT) now estimated to be in excess of \$5 million.

2.1.3 INTERNAL ENVIRONMENT: OPPORTUNITIES

The internal environment also presents both opportunities and risks. In addition to the availability of significant resources already committed by the Federal Government and the contributing parties are the following tremendous opportunities:

A WELL-ADVANCED DESIGN PROCESS

The *Museums Act* clearly establishes the principle that the Board of Trustees of each of the national Museums is responsible for the operations of the corporation; the Board has full authority over the ultimate decisions relating to the design of the building. The Government, respectful of this principle, which was also reflected in the Definitive Agreement, made a decision in 2007 to initiate only a limited set of actions that would facilitate the design process—without tying the Board's hands—only where absolutely appropriate and essential to avoid missed opportunities and where it resulted in long-term cost savings.

The first of these decisions was the Appointment of the Minister's Advisory Committee, established to ensure the Board would benefit from a wide range of input external to the Government. The second was the approval to commence a detailed design development process on the Predock design, in order to accelerate the future Board's capacity to make an informed decision. Canada agreed to expedite the design process to minimize the impact of construction inflation by allowing the Board to assess the Predock design as soon as possible after taking office. Launched in December, 2007 and completed in July 2008, the design development cost \$4 million and would have had to be done before the Board could make an informed decision in any case. Had this work not been undertaken at the time, it would have delayed decisions, resulting in the cost of the building rising by more than \$7.5 million.

The third decision was to authorize a Request for Proposals (RFP) to select a firm that could provide more detailed scope, risk analysis and cost estimates for the glass—a large component of the proposed design—and to supply the glass if the design is chosen. Having selected Josef Gartner USA, L.P., as the most appropriate firm to undertake the work, the Friends issued a design assist contract to them in 2008. Regardless of the Board’s design decision, the considerable work that has been undertaken to date will be invaluable.

SIGNIFICANT EXTERNAL INPUT

As it moves forward to establish the Museum, the Board of Trustees is able to benefit from considerable work that has already been undertaken by the Friends and through the Minister’s Advisory Committee on the CMHR. As noted above, the Government decided to proceed with public consultations to ensure that the Board would have access to external advice, primarily on three matters: the planning of the Museum; its scope and content; and the suitability of the proposed building design.

SUPPORT OF THE MINISTER OF CANADIAN HERITAGE AND DEPARTMENTAL OFFICIALS

The strong support of the Minister of Canadian Heritage and departmental officials has been invaluable throughout the evolution of the Museum and will continue to be of great benefit to the Museum. The establishment of the CMHR resulted from an investment of considerable time and resources by the Department of Canadian Heritage. During the period between receipt of the proposal from the Friends and the tabling of the amendments to the *Museums Act*, the Department’s due diligence made it possible for the Minister to recommend the creation of the Museum as a Crown corporation and to seek the necessary authorities from Cabinet. The Department negotiated the Definitive Agreement, worked with officials in the Department of Justice and Central Agencies to draft the legislation and, once the legislation was passed, established a transition team to position the new Board of Trustees to be operational early in its mandate.

THE OPPORTUNITY TO “GET IT RIGHT”

The creation of the first new national museum in Canada since 1967 offers a tremendous opportunity, in terms of the design and construction of the building; the development of the Museum content and programming; the governance and accountability regime; and the organizational structure and recruitment.

Canadians have high expectations for accountability, transparency and integrity from their national institutions, and expect good value for the tax dollars invested in them. Reflecting these expectations, the Government insists on the importance of building public trust in national institutions through sound management and governance, as underlined by the passage of the *Federal Accountability Act*. The Museum has the opportunity to develop appropriate stewardship and accountability mechanisms anew, based on recognized best practices. As the Museum develops its programs and its governance and operational frameworks, there is also a wealth of ‘lessons learned’ from other Canadian and international cultural institutions that can be of tremendous benefit. Numerous Canadian cultural institutions, including Canada’s existing national museums, have already provided advice and indicated their willingness to continue to do so.

2.1.4 INTERNAL ENVIRONMENT: RISKS

GOVERNANCE AND OPERATIONAL RISKS

As a new entity, the Museum has just begun to develop the required governance and management mechanisms. While this provides a tremendous opportunity for the Museum to develop best-practice policies, practices, processes, structures and systems, the huge agenda facing the Board and the Management Team will require that these mechanisms be developed and adopted expeditiously.

A Board cannot function efficiently without the support of museum staff, led by a Chief Executive Officer (CEO). While the Board of a national museum normally appoints the CEO, with Governor in Council approval, the Museums Act clearly states that the CMHR's first CEO shall be appointed by the Governor in Council on the recommendation of the Minister. The first incumbent of the CEO position will be required to develop and implement management structures and appropriate controls for the new corporation; consult and engage stakeholders in the creation of the museum and its content; build strong relationships with interested stakeholders, including donors and multiple levels of government; and oversee a major, multi-year construction project. In the interim, to facilitate rapid and informed decision-making, the Board has delegated to the Chief Operating Officer the functions which would normally be those of the CEO.

To enable recruitment and retention of managers and staff, the Museum will need to establish a Human Resource Management Framework that provides for a workplace that is fair, enabling, healthy and safe and a workforce that is productive, principled, sustainable, adaptive and representative of the diversity inherent in Canadian society. As a federal Crown corporation, the Museum is entitled to—and plans to—participate in the public service pension and benefit plans and will need to provide competitive salaries in order to attract and retain staff.

RISKS RELATED TO CAPITAL CONSTRUCTION

Any capital project brings with it a wide range of risks that need to be carefully managed, including the risk of cost over-runs. The budget for the building project is highly vulnerable to the impact of inflation in the construction industry. In order to accelerate the Board's capacity to make an informed decision on the museum design, a design development process for a design originally selected by the Friends of the Canadian Museum for Human Rights was initiated in January 2008. Expediting that process has provided more refined costing data (Class "B" estimates) to assist the Board in making decisions related to the design and construction of the building.

It will be critical that the Board of Trustees and Management put in place the appropriate mechanisms to continually monitor and manage risks associated with the project, and the Transition Team has developed a detailed risk management strategy, including, among other elements:

- *Engaging the services of qualified trade contractor firms during the design development and construction document development stages through the Design Assist Trade Contractors process;*
- *Engaging museum experts with experience in major capital projects to assess the current design;*
- *Delivering the project through the Construction Management method, based on a collective team approach to construction;*
- *Adopting of the Value Engineering process to develop ways of lowering costs while still meeting program requirements;*
- *Developing specific risk mitigation strategies to address such key risk areas as the cost of structural steel; the cost and complexity of the exterior glazing; the impact of foreign exchange fluctuations; potential threats to labour force availability; and the cost of potential scheduling changes;*
- *Providing significant advice and information to the Board of Trustees; and*
- *Retaining consultants and senior staff with the right mix of skills and experience.*

RISKS RELATED TO ONGOING OPERATIONS

The Friends initially projected the annual operating costs for a private museum at approximately \$21.7 million. As noted above, although the forecast appears to have been appropriate for the scale of the building and the Friends' envisaged programming, the Museum will need to develop strategies to address the ongoing financial costs associated with the operation of a national museum.

2.2 STRATEGIC PRIORITIES

In light of the forgoing, the Museum has identified the following three strategic priorities for the planning period:

- To manage all aspects of the Building Construction Project in a sound, transparent and accountable manner, on time and within budget, employing effective risk-management practices throughout;
- To develop the Museum's content and programming through ongoing consultation and engagement of organizations and individuals across Canada, including, but not limited to, the valuable input provided by the Advisory Committee; and
- To adopt sound and efficient governance and stewardship practices that facilitate the alignment of resources with priorities and full accountability to Canadians for results; to retain the necessary human resources both for the transition and the longer-term.

3. OBJECTIVES, STRATEGIES, AND PERFORMANCE MEASURES

The purpose of this interim Corporate Plan is to seek the Government's authority and financial resources necessary to establish the corporation, hire the necessary staff, finalize a museum design and proceed with plans for construction. Its focus is on the early years of the planning period, consistent with the profiling of funds already approved by the Government.

The Board will develop a more comprehensive plan for the 2009-2010 to 2013-2014 planning period once the Museum is staffed. The Museum's next Corporate Plan will reflect more detailed strategic and operational plans, including objectives for each of the five years of the planning period, key performance measures and reporting strategies.

3.1 PROGRAM ACTIVITY 1: MUSEUM CONTENT AND PROGRAM

<p>Objective: That the Museum’s content and programming is developed through ongoing consultation and engagement of Canadians, including, but not being limited by, the valuable work already undertaken by the Friends of the Museum and the Minister’s Advisory Committee on the CMHR.</p>	
Key Results	Key Activities for Year One ¹
<p>The Museum develops accessible and engaging exhibits and educational programming that promote reflection and dialogue.</p>	<p>Establish a Board Committee to provide a strategic framework for stakeholder engagement and public consultations;</p> <p>Assess recommendations from the Minister’s Advisory Committee; and</p> <p>Begin recruiting curatorial and design staff and consultants.</p>
<p>The Museum develops an approach to national outreach, engagement and service.</p>	<p>Begin developing a strategy to further strengthen relationships and engage key stakeholders;</p> <p>Establish principles to ensure programming reflects the national mandate of the Museum; and</p> <p>Begin outreach before the facility is built.</p>
<p>The Museum develops a framework for sound research and scholarship.</p>	<p>While work could begin on the framework in the first year, it will become a key focus in future years.</p>
<p>The Museum garners a high level of awareness and public support through strong and effective marketing and communications strategies.</p>	<p>Establish a Communications Policy to identify objectives, roles and responsibilities;</p> <p>Develop a pro-active communications strategy for the early years of the Museum’s evolution; and</p> <p>Begin developing a corporate brand/image strategy.</p>

¹ The Board will further elaborate its strategies and plans for the subsequent years of the planning period prior to submitting its next Corporate Plan in January 2009.

3.2 PROGRAM ACTIVITY 2: ACCOMMODATION

<p>Objective: That all aspects of the Building Construction Project are managed in a sound, transparent and accountable manner, on time and within budget, employing effective project and risk-management practices throughout.</p>	
Key Results	Key Activities for Year One ²
<p>Decisions related to the building's design lead to the construction of an landmark facility that is appropriate to meet the Museum's mandate and objectives and will endure as a treasured landmark for generations.</p>	<p>Establish Board Committee to oversee the building construction project;</p> <p>Finalize design and next steps;</p> <p>Subject to design decisions, initiate construction contracts.</p>
<p>Decisions related to the building are sound, are based on appropriate analysis and study and stand up to public scrutiny and provide for effective, long-term operational sustainability.</p>	<p>Establish an appropriate project governance structure to provide for due diligence and recording of decisions;</p> <p>Ensure appropriate environmental and archaeological assessments on the site are undertaken.</p>
<p>The building construction project is governed by an effective project management regime, including a robust strategy to manage risks related to the project.</p>	<p>Adopt best-practice project management practices, including a detailed project plan with risk management embedded in it;</p> <p>Recruit team of contractors.</p>
<p>The Museum engages the local Aboriginal community at appropriate times throughout the design and construction processes.</p>	<p>Ongoing dialogue;</p> <p>Continue to engage the Aboriginal community at key stages.</p>

² The Board will further elaborate its strategies and plans for the subsequent years of the planning period prior to submitting its next Corporate Plan in January 2009.

3.3 PROGRAM ACTIVITY 3: STEWARDSHIP AND CORPORATE MANAGEMENT

<p>Objectives:</p> <p>That the Museum adopts sound and efficient governance and stewardship practices that facilitate the alignment of resources with priorities and full accountability to Canadians for results; and</p> <p>That the Museum recruits and retains the necessary human resources both for the transition and the long-term.</p>	
Key Results	Key Activities for Year One ³
<p>The corporation meets or exceeds recognized standards for Corporate Governance and has in place the policies, procedures and systems that are conducive to sound management and accountability including:</p> <ul style="list-style-type: none"> • Clarity of objectives and expectations; • Clear lines of accountability; • Transparency in the application of and compliance with rules; and • A culture based on a solid ethical foundation. 	<p>Establish By-laws and a Board Committee structure and clarify the respective roles of the Board and Management;</p> <p>Work towards articulating a mission, vision and values statement and adopting practices to reflect the values in day-to-day actions and decision-making;</p> <p>Ensure alignment of activities and resources with overall priorities and objectives;</p> <p>Develop more detailed five-year Corporate Plan, including a performance management regime to monitor and adjust performance;</p> <p>Develop Governance Policy and Code of Ethics.</p>
<p>The corporation has in place the policies, procedures and systems that are conducive to sound and management and accountability.</p>	<p>Establish schedule for the development of corporate policies; priorities in the first year will be policies for Governance, Contracting and Human Resources and a Code of Ethics/Conflict of Interest Code.</p> <p>Begin establishing appropriate operational policies, systems, structures and procedures to support sound management in the areas of Financial Management and Control; Human Resource Management; Information Management; and Information Technology.</p> <p>Make progress towards establishing performance monitoring and reporting strategy.</p>

³ The Board will further elaborate its strategies and plans for the subsequent years of the planning period prior to submitting its next Corporate Plan in January 2009.

PROGRAM ACTIVITY 3: STEWARDSHIP AND CORPORATE MANAGEMENT (CONTINUED)

Key Results	Key Activities for Year One ⁴
<p>The corporation attracts and recruits the talent and expertise necessary both for the transition and the longer-term.</p> <p>Note: It is anticipated that the Government will appoint the first CEO for the Museum early in the Board’s mandate.</p>	<p>Develop an organizational structure and a recruitment strategy that reflects the changing needs of the corporation as it evolves;</p> <p>Recruit staff as required and appropriate; the Museum expects to hire up to 20 FTEs, through a combination of means including permanent staffing and contracts.</p>
<p>The corporation has a workplace that is fair, enabling, healthy and safe and a workforce that is productive, principled, sustainable, adaptive and representative of the diversity inherent in Canadian society.</p>	<p>Develop a framework for human resource management that leads to policies and practices that are designed to foster a fair, enabling, healthy and safe workplace and a workforce that is productive, principled, sustainable, adaptive and representative of the diversity inherent in Canadian society.</p>
<p>The corporation establishes the capacity to generate ongoing private-sector funds; upon its opening, the Museum will be in a position to generate revenues.</p>	<p>Consider options and make appropriate decisions to raise private sector funds.</p>

4 FINANCIAL STATEMENTS

The financial statements on the following pages reflect the appropriations the Museum expects to receive in 2008-2009 and forecasts for the remaining four years of the Plan. They also include all funding commitments from the three contributing parties; the capital plan is based on total contributions of \$165 million from the Province of Manitoba, the City of Winnipeg and the Friends of the Museum for Human Rights.

⁴ The Board will further elaborate its strategies and plans for the subsequent years of the planning period prior to submitting its next Corporate Plan in January 2009.

4.1 CAPITAL BUDGET

In addition to the \$165 million from the contributing parties, the Federal Government has committed \$100 million for building construction and related costs, including the \$30 million provided in 2003. A portion of these funds has been dispersed to the Friends and the remainder, approximately \$20 million as at July 1, 2008, has been returned to the CMHR on behalf of Canada. The remaining \$70 million committed by the Federal Government was to be allocated over three years, starting in 2008-2009. The Museum will return to the Government with a detailed project proposal to access these funds.

Capital funds from financial contributors other than Canada are currently held in an escrow account. If a construction contract is signed in 2008-2009, the escrow account (approximately \$145,500,000 over four years) will be released to the CMHR corporation, with approximately \$75,280,000 available to the corporation in the first year. The Museum is currently projecting that its capital requirements in 2008-2009 can be managed within the funds it expects to have available from the escrow account and the approximately \$20 million remaining from the \$30 million initially provided by the Federal Government.

4.2 OPERATING BUDGET

The Federal Government is assuming responsibility for the annual operating budget of the Museum. It has approved an initial operating budget of \$6.5 million--\$2.5 million for 2008-2009 and \$4 million for 2009-2010. Actual start-up costs for the first years are now estimated to exceed the initial operating budget.

The Museum will be presenting the Government with a detailed budget early in 2009, which will reflect the financial challenges outlined throughout this Plan.

4.3 CASH MANAGEMENT

Although the Government has identified operating and capital dollars for the corporation, funds will not actually flow to the new corporation until Parliament approves them. Funds from the escrow account will also not be available to the Museum until it has signed a construction contract. In the interim, the Museum is using a portion of the approximately \$20 million remaining from the Federal Government's initial allocation of \$30 million to cash manage operational and capital costs. The corporation will reimburse the capital account for any operating costs funded out the capital budget during this interim period.

5. FINANCIAL STATEMENTS

5.1 BALANCE SHEET: MARCH 31, 2009 AND MARCH 31, 2010 (IN THOUSANDS OF DOLLARS)

		FY / EX 2008-2009	FY / EX 2009-2010	FY / EX 2010-2011	FY / EX 2011-2012
Assets					
Cash & cash equivalents		20,194	15,022	15,022	-1,583 (Note 1)
Restricted cash & investments		69,105	39,655	15,085	0
Building Project in Progress		6,175	80,175	169,175	232,175
Capital Assets					
	Land	0	0	0	0
	Furniture & Fixtures	0	0	0	0
	Leasehold Imp	0	0	0	0
Total Assets		<u>95,474</u>	<u>134,852</u>	<u>199,282</u>	<u>230,592</u>
Liabilities & Equity of Canada					
Deferred Revenues					
& Parliamentary Appropriations (WED funds)		20,000	20,000	20,000	3,395
Deferred Contributions	Province	38,800	38,800	38,800	38,800
	City	16,000	16,000	16,000	16,000
	Friends	<u>20,480</u>	<u>45,030</u>	<u>69,460</u>	<u>90,770</u>
		75,280	99,830	124,260	145,570
	Less: used	<u>-6,175</u>	<u>-60,175</u>	<u>-109,175</u>	<u>-145,570</u>
		69,105	39,655	15,085	0
Deferred funding related to property & equipment					
	Deferred capital contributions	6,175	60,175	109,175	162,175
	Deferred capital funding		20,000	60,000	70,000
Equity of Canada					
	Retained earnings	194	-4,978 (Note 1)	-4,978 (Note 1)	-4,978 (Note 1)
Total Liabilities & Equity of Canada		<u>95,474</u>	<u>134,852</u>	<u>199,282</u>	<u>230,592</u>

Note 1

The Corporation will ask the Minister of Canadian Heritage to seek Government's approval to access additional operating funds to address the shortfall in 2009-2010 as well as approval of ongoing operating funding. Approval of additional funds will also address the cash shortfall projected in 2011-2012.

5.2 STATEMENT OF INCOME AND RETAINED EARNINGS: YEAR ENDED MARCH 3, 2009 (IN THOUSANDS OF DOLLARS)

	FY / EX 2008-2009	FY / EX 2009-2010
Government Funding		
Parliamentary Appropriation	5,000	1,500
Expenses		
Museum Content and Program	1,922	2,669
Accommodation	961	1,334
Stewardship & Corporate Management	1,922	2,669
	4,806	6,672
Variance	194	-5,172 (Note 1)

Note 1

The Corporation will ask the Minister of Canadian Heritage to seek Government's approval to access additional operating funds to address the shortfall in 2009-2010 as well as approval of ongoing operating funding.

Note 2

Projections are not yet available beyond 2009-2010 as the ongoing operating funding is unknown at this time

5.3 STATEMENT OF CASH FLOWS, YEAR ENDED MARCH 31, 2009 (IN THOUSANDS OF DOLLARS)

	FY / EX 2008-2009	FY / EX 2009-2010	FY / EX 2010-2011 (Note 1)	FY / EX 2011-2012 (Note 1)
Operating activities:				
Cash receipts (parliamentary appropriation)	5,000	1,500		
Cash receipts (WED funds)	20,000			
Cash paid (employees and suppliers)	<u>-4,806</u>	<u>-6,672</u>	<u>(Note 1)</u>	<u>(Note 1)</u>
	20,194	-5,172	0	0
		(Note 2)		
Investing activities:				
Investment in Building Project	-6,175	-74,000	-89,000	-63,000
(Increase) decrease in restricted cash and investments	<u>-69,105</u>	<u>29,450</u>	<u>24,570</u>	<u>15,085</u>
	-75,280	-44,550	-64,430	-47,915
Financing activities:				
Parliamentary appropriation for the investment in Building Project	0	20,000	40,000	10,000
Restricted contributions	<u>75,280</u>	<u>24,550</u>	<u>24,430</u>	<u>21,310</u>
	75,280	44,550	64,430	31,310
Increase in cash and cash equivalents	20,194	-5,172	0	-16,605
Cash and cash equivalents, beginning of year	0	20,194	15,022	15,022
Cash and cash equivalents, end of year	<u>20,194</u>	<u>15,022</u>	<u>15,022</u>	<u>-1,583</u>
				(Note 2)

Note 1

Projections are not yet available beyond 2009-2010 as the ongoing operating funding is unknown at this time.

Note 2

The Corporation will ask the Minister of Canadian Heritage to seek Government's approval to access additional operating funds, to address the operating shortfall in 2009-2010 as well as approval of ongoing operating funding. Approval of additional funds will also address the cash shortfall projected in 2011-2012.