

## Long Term Loans

### Recommendation 26 – to the Member States

Member States should disseminate information on long term lending and borrowing, appointing bodies of advocacy (i.e. museums associations and NEMO) establishing different forums aiming at favouring lending and borrowing on the basis of reciprocity and building trust among tentative partners.

#### Explanation

Several respondents of the Long term loans inquiries (2007 and 2009) mentioned that the idea of collection mobility was still not very widely known in the EU member states. Therefore, a body of advocacy which would work for a change in attitudes favourable to lending and borrowing would be appointed in every member state, information on the mobility of collections would be distributed to all organization levels, from national ministries to all types of museums managing collections, national dialogues on the mobility of collections would be created by establishing different forums where the subject is debated and by giving the subject and the dialogue all possible publicity, and alternative methods for the recognition of museums for their lending activities to be considered by member states.

Many institutions mentioned that they would be ready to loan objects to other museums in Europe if there would be good expectation of a reasonable balance in providing and receiving objects on a long-term loan basis. In their opinion, reciprocity would build trust between all participating institutions and would thereby enable growth in the practice of lending between institutions.

### Recommendation 27- to the Member States

Member States should encourage the harmonisation of lending and borrowing practices among collaborating institutions and eliminate all obstacles for accepting state indemnities as an alternative to commercial insurance against risk of loss or damage to an object.

#### Explanation

Several of the respondents were of the opinion that entering into complex loan agreements with requirements that varied from museum to museum made lending and borrowing difficult. Many museums felt that lending and borrowing practices needed to be harmonised. The biggest concern was the risk of loss or damage of the object on loan and the potentially high cost for insuring against such risk.

Therefore, Member States should encourage institutions to work within shared

framework agreements to lower barriers to long term loans practices, both in terms of costs and insurance concerns. To further lower the barriers for long-term lending and borrowing, some institutions structured the lending and borrowing between collaborating institutions with framework agreements. The minimum lending conditions agreed upon in these agreements related for the most part to the distribution of risk of loss or damage. When commercial insurance coverage is to be used, museums should remove requirements for such coverage while objects are on the premises of the borrower museums would not ask each other to compensate object's decrease in market value should a loaned object be damaged while on the premises of the borrower.

#### Recommendation 28 – to the Member States and Museum Community

Member States should encourage the use of framework agreements and contract templates.

##### Explanation

Entering into complex loan agreements with requirements that varied from museum to museum was experienced as a burden to long-term lending and borrowing. Therefore, use of the following documents by museums across the European Union is recommended. They include a basic set of conditions that should be contained in any arrangement and optional supplementary terms under different subjects. The instruments can thus be used as the basis of any loan arrangement for lenders and borrowers to add to and amend, as their particular situation requires. The documents which can be found in Appendices **xx**, **xx** and **xx** of this report feature the following instruments:

- Long-term loans – Definition
- Long-term Loans – Conditions
- Flemish Frame Agreement conditions limiting borrower's liability