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Voluntary Sector Initiative Impact Evaluation: Lessons Learned from the Voluntary Sector Initiative (2000-2005)

Final Report
August 2009

Strategic Policy and Research Branch

Canada

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Final Report

Evaluation Directorate
Strategic Policy and Research Branch
Human Resources and Skills Development Canada

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List of Abbreviations

AJT	Awareness Joint Table
BRP	Blue Ribbon Panel
CDPAC	Chronic Disease Prevention Alliance of Canada
CDPD	Community Development and Partnership Directorate
CJT	Capacity Joint Table
COARSE	Creating Options Aimed at Reducing Sexual Exploitation Project
Core	The Core sector is the Voluntary Sector excluding Hospitals, Universities and Colleges
CPP	Community Partnerships Program
CVI	Canadian Volunteerism Initiative
HRVS	Human Resources in the Voluntary Sector Initiative
HC/PHAC	Health Canada/Public Health Agency of Canada
IM/IT	Information Management/Information Technology
IYV	International Year of Volunteers
JAT	Joint Accord Table
JCC	Joint Coordination Committee
JRT	Joint Regulatory Table
JSC	Joint Steering Committee
NLI	National Learning Initiative
NSGVP	National Survey of Giving, Volunteering and Parcipating
NSNVO	National Survey of Nonprofit and Voluntary Organizations
NVI	National Volunteerism Initiative
NVI-JT	National Volunteerism Initiative Joint Table
OVS	Office for Voluntary Sector (Now part of PHAC)
PCO	Privy Council Office
PHAC	Public Health Agency of Canada
PIAF	Policy Internships and Academic Fellowships
RGM	Reference Group of Ministers
RSC	Research Steering Committee
SIDPD	Sectoral Involvement in Departmental Policy Development

SMG	Sport Matters Group
SPAC	Sport Policy Advisory Collective
TFCI	Task Force on Community Investments
VOICE	Voluntary Organizations Involved in Collaborative Engagement in Health Care Project
VSERP	Voluntary Sector Evaluation Research Project
VSF	Voluntary Sector Forum
VSI	Voluntary Sector Initiative
VSIS	Voluntary Sector Initiative Secretariat
VSSG	Voluntary Sector Steering Group
VSTF	Voluntary Sector Task Force
VSR	Voluntary Sector Roundtable
VSS	Voluntary Sector Strategy

Executive Summary

Background and Purpose

The purpose of this report is to provide a synthesis of evaluation work conducted to-date on the Voluntary Sector Initiative and to evaluate the overall impacts and effects of the VSI covering the period 2000-2005. Impacts in the areas of awareness, strengthening sector/government relationships, regulatory reform, and capacity are examined. The evaluation also attempts to verify the data underlying each line of evidence and establish causality of program inputs and activities to impacts. The continued relevance of the VSI is examined along with the cost-effectiveness of the initiative. The final conclusions and the lessons learned that can be applied to other initiatives similar in size and scope, conclude the study. An Annex summarizes the program evaluation function and the methodology used in this study. A diagram of the various Joint Tables and other committees is also included in the Annex.

Over the course of the VSI and after its completion, several evaluation studies were conducted. This report is a synthesis of the work done on the evaluation of the VSI. Its purpose is to bring together evidence from multiple sources, including survey results, quantitative macroeconomic data and key informant interviews, and assess whether the stated objectives of the VSI were successfully met.

Program Description

The Voluntary Sector Initiative (VSI) was a five-year, $94.6 million initiative aimed at improving the working relationship between the government and the voluntary sector in order to better serve Canadians. The objectives of the VSI were:

- To improve the relationship between the Sector and the federal government;

- To build Sector capacity in areas of finance, human resources, policy and knowledge and information management; and

- To improve the regulatory and legal framework under which the Sector operates.

The VSI was unique as a joint undertaking between government and the voluntary sector in three ways. First, its scope was beyond anything undertaken to date in terms of the broad objectives covering relationships, capacity and regulatory reform. Second, the joint nature of the work undertaken was unique in that the joint tables and the joint coordinating committee were comprised of members from both the Sector and the government. Finally, it was differentiated by its scale in attempting to engage the entire Sector and the entire Federal government.

Methodology

This evaluation was conducted in a collaborative fashion with participation from representatives of the voluntary sector and multiple federal government departments. The methodology employs multiple lines of evidence consisting of four methods: surveys, case studies, analytical reports, and previously completed evaluations. Specifically, the following sources were used:

1. Two Surveys:

- Voluntary Sector Initiative: Survey of Voluntary Sector Organizations (2008): and

- Survey of Federal Government Officials (2008)

2. Evaluation Studies:

- Evaluation of the 2001 International Year of Volunteer Initiative (Heritage Canada 2003)

- Sectoral Involvement in Departmental Policy Development: Summary of Evidence of Project Impacts on Policy Capacity (2007)

- The Voluntary Sector Initiative Process Evaluation (2004)

- *An Evaluation of the Sectoral Involvement in Departmental Policy Development* (2004)

3. Case Studies:

- Four in-depth case studies (2008)

  a. The Canada Revenue Agency and Regulatory Reform
  b. VSI Outcomes in the Area of Human Resource Capacity
  c. Outcomes of the VSI at Health Canada /Public Health Agency of Canada
  d. Sectoral Involvement in Departmental Policy Development (SIDPD) Capacity and Policy Building through the (a) Sport Policy Advisory Collective, and (b) Social inclusion, Gender Equality and Policy Capacity Enhancement Projects.

- Outcomes of the VSI: Lessons Learned from the Case Studies (2008)

4. Analytical reports:

- Papers presented at the VSI methodology conference, "*Measuring Progress in Joint Partnerships with Government: Methodologies to Assess the Voluntary Sector Initiative*" (held December 5-6, 2005)

- *Voluntary Sector Current Conditions and Trends: Final Report* (2007)

- *Satellite Account of Nonprofit Institutions and Volunteering* Working Paper (2008)

Based on the three VSI objectives the evaluation focused on four key areas to assess VSI outcomes:

- Sector-Government Relationships

- Sector capacity

- Policy Development; and

- Regulatory reform

As part of this evaluation, an examination of continued relevance and cost-effectiveness was also undertaken. The evaluation provides insights into the value-added of the VSI to the federal government, value-added from the Sector's perspective, and benefits for social development processes across Canadian society as a whole. A summary of lessons learned is provided.

Evaluation Strengths and Limitations

The evaluation relies on the combined results of the data sources identified above which provide a useful information base from which to draw findings on the overall effectiveness, impacts and continued relevance of the VSI. It must be recognized, however, that there are two important inherent limitations faced by the authors of the report, which were a lack of explicit and clear evaluation goals for the program and the challenge of attributing program activities to observed impacts. In this respect, while the array of data underpinning this evaluation is large, the nature of the data is qualitative and there is an absence of baseline data which could more fully point to impacts of the VSI before its introduction and after its conclusion.

Evaluation Findings

Collaboration and Networking

One of the success stories of the VSI has been the increase in collaboration and networking within the voluntary sector. While the VSI was not widely attributed with this change, the research products that were produced by the Initiative were important in developing the Sector's identity, and may have gone a long way in contributing indirectly to those using them, to improvements in intersectoral relationships. These research products were seen by those in the focus groups as a long-term outcome of the VSI.

Among government officials interviewed, the value of the dialogue that was started within the Sector - as well as between the Sector and the government, was viewed as the strongest result of the VSI. According to survey respondents in the Sector, the value added for those in the voluntary sector was an improvement in the relationship that they had with the government, the development of tools and resources for their use, and the creation of a united and strengthened voice for the Sector.

The Satellite Account

The Satellite Account in Canada's *System of National Accounts* provides a comprehensive source of information on the voluntary sector in Canada. Statistics Canada is among the first statistical agencies in the world to identify and illuminate the role that the voluntary sector plays via its inclusion in the National Accounts. The development of the Satellite Account was funded through the VSI to ensure the availability of official economic statistics on this third pillar of Canadian society. Research projects that came out of the VSI are seen to be among the VSI's successes and are attributed with increased cohesion within the Sector.

Regulatory Reform for Registered Charities

The area of charities' regulatory reform is unique among the VSI objectives from an evaluation standpoint, in that the implementation of the regulatory initiative did not begin until 2004 and will continue until 2009. Thus, the impacts have had less time (as of the date of this evaluation) to manifest themselves and, as efforts in this area are ongoing, the full impacts have yet to occur.

The Joint Regulatory Table (JRT) was viewed as a collaborative, inclusive, and progressive model that offered an important opportunity for openness and transparency regarding the regulation of charities. The joint nature of the JRT (and VSI) exercise and the opportunity for consultations with the Sector (e.g., on the JRT's Interim Recommendations) was praised by key informants and viewed as creating a high level of sector buy-in for the recommendations. Although the JRT ended as a success, disagreement arose regarding the Table's mandate and issues of the definition of charity and treatment of advocacy. This lack of clarity regarding mandates, roles, and responsibilities was identified as one of the process flaws that occurred during the VSI.

Increased Capacity of the Voluntary Sector

The voluntary sector is comprised of organizations that vary in terms of size, type, location, population served, and mandate. Notwithstanding the measurement challenges, capacity is an area of the VSI where some quantifiable indicators are available. However, given the presence of some external influences, the VSI's impact on capacity measures was not easily discernible. While improvements in information technology (IT) were widespread and human resources (HR) to a lesser extent, the VSI was not widely credited with these changes. While attribution for these improvements is low, organizations with a greater awareness of the VSI were more likely to have seen increased capacity in these areas.

The HR Council is seen as one of the most important outputs of the Capacity Joint Table (CJT), without which many interview respondents reported that there would be no sustained impacts of the work undertaken. Among voluntary organizations surveyed in 2007, 9% had used the tools and resources of the HR Council, and for those users there had been a positive impact (13% highly positive and 61% some positive impact).

Policy Development

The Sectoral Involvement in Departmental Policy Development (SIDPD) was the VSI's major project used to achieve its policy development objectives. The objectives of SIDPD were to improve the opportunities for input within federal departments by voluntary sector organizations, and to strengthen the capacity within the Sector to contribute to policy development. It was a $28.5 million program aimed at creating a closer policy development relationship between the federal government and the voluntary sector.

Program design flaws were noted at the time of the SIDPD process evaluation prior to the completion of Round 2 of the SIDPD projects. The most noteworthy flaws included: funding allocation resulting in lack of engagement of the whole sector; lack of a clear reporting and accountability framework; and a lack of knowledge transfers. A notable exception is Health Canada who, as reported in the SIDPD Process Evaluation (2004), had produced a common accountability and evaluation tool for all their SIDPD projects.

The projects were concentrated in a few organizations that already had a relationship with the federal government. While there is some evidence from specific SIDPD projects regarding positive impacts, the entire program could have benefited from measures to ensure better evaluation of results and dissemination of knowledge; the result is that for the majority of the 67 projects the impacts, if any, are unknown.

Among government officials surveyed, awareness of the *Code of Good Practice on Policy Dialogue* was high (32/47) and slightly less than half (16/33) thought the Code had been somewhat successful. In spite of this knowledge transfer, the SIDPD project report found no evidence of an impact, or even use, of the *Code of Good Practice on Policy Dialogue* in any of the 15 projects that were reviewed.[1] No evidence of current use of the Code was found in any of the other documents synthesized.

While several of the VSI activities were not aimed at the institutional level, the formalization of learnings (e.g., findings from final reports and lessons learned from the SIDPD projects) could have benefitted the VSI to fully capitalize on the experience and to identify sustainable or ongoing impacts that might have occurred beyond the impacts experienced by those directly involved.

Delivery of Goods and Services

One quarter of the organizations believe that the role of the Sector in assisting the federal government with the development and delivery of their programs and services increased over the VSI period, offset by 16% that saw their role decrease. Those who saw a decrease cited a lack of communication between government and the Sector as the most common reason, followed by lack of core funding available, and fewer volunteers. Those who believed there had been an increase in the role and contribution of the Sector, cited cuts to social programs that necessitated the involvement of the Sector as the primary cause, followed closely by the government's recognition of the necessity of input from the Sector (35%). Improvements in

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[1]   The start of Round 1 projects predated the development of the Policy Code.

program and service delivery by the federal government were seen by several government officials as being an accomplishment by the VSI. Voluntary sector organizations see their role as a collaborator/partner/advisor, and resource/network of expertise for government.

Lessons Learned from the VSI

- Improving Sector Government Relationships
    - Collaboration between the voluntary sector and the government can produce benefits but requires significant amounts of time and energy.
    - There are limits to the areas and extent to which collaboration can take place.
    - It is imperative that there is clarity regarding the issues that are on the table and the roles and responsibilities of each party.
    - The work of the Joint Tables was conducted with unclear and unrealistic objectives.
    - There were some slight improvements in the relationship between the voluntary sector and the federal government, however they tended to be short-lived and were adversely affected by issues such as expectations around accountability, high turnover in staff and change in priorities in the federal government.
        - It would be important for any initiative following in the wake of the VSI to avoid the "goal overload" by restricting the objectives and mandate.
        - The engagement of the whole sector, as large and heterogeneous as it is, was unrealistic.
        - An important consideration for these types of initiatives is to clarify whether the government views the Sector as a provider of goods and services or as the builder of civil society and social capital in shaping a similar initiative in the future.
        - During the VSI, staff turnover of government representatives was considered to be high.

- Communications
    - The value added for those in the voluntary sector was cited as improvements in the relationship with the government, the development of tools and resources for their use, and the creation of a united and strengthened voice for the Sector.
    - Awareness of the VSI, and its key products, *An Accord between the Government of Canada and the Voluntary Sector*, *The Code of Good Practice on Policy Dialogue,* and *The Code of Good Practice on Funding,* was modest among those surveyed in the voluntary sector.

- Role of the Sector
    - Improvements in program and service delivery by the federal government reflected the increased awareness of the need to involve groups in influencing the development of policy and programs along with more consultation and awareness of the role the Sector can play in identifying priorities.

- Building Sector Capacity

  o The most visible and sustainable outputs of the VSI were in aspects of the Initiative which were institutionalized (HR Council and Satellite Account)

  o While the satellite account is an invaluable addition to our knowledge base of the voluntary sector, there are still gaps and inconsistencies for certain measures. The most noteworthy example is volunteering; which is a difficult concept to define and there is no reliable survey that reports levels of volunteering in a consistent way.

- Policy Development

  o Policy development is the focus of a relatively small number of large organizations within the Sector. Most organizations cannot afford the significant outlay in time and resources that policy participation requires.

  o Sector organizations are more focused on the delivery of services rather than direct involvement in policy development.

  o The process around funding allocation for SIDPD resulted in low engagement of the whole sector, lack of a clear reporting and accountability framework, and the lack of a strategy to facilitate knowledge transfers.

- Evaluation Lessons Learned

  o It was necessary that the evaluation be incorporated into the Initiative at the outset in order for an evaluation of this type and scale to be successful.

  o Program goals and objectives were not linked in advance, nor were there clearly specified and quantifiable impacts to be achieved.

  o Establishing causality as directly attributable to the VSI was challenging, given the inability to control for activities in the external environment.

  o There were obstacles for the specific high-quality evaluation studies that served as the lines of evidence for this synthesis. The reader is directed to the specific reports for a further description of their challenges.

Conclusion

Overall, evaluation results demonstrate that the most positive impacts of the VSI are concentrated in the areas of intersectoral relationships, co-ordination and coherence in the interaction between government and the voluntary sector, knowledge of the Sector, and regulatory reform. While the evidence is limited, it points to the difficulties in achieving desired impacts in the following areas: awareness and engagement, increased capacity for the Sector as a whole, and challenges in achieving a full integration between the government and the Sector in undertaking policy development.

Management Response

Impact Evaluation Report: Lessons Learned from the Voluntary Sector Initiative (2000-2005)

Introduction

The Voluntary Sector Initiative (VSI) was a five year (2000-2005) $94.6M joint initiative between the Government of Canada (GC) and the voluntary sector. Its objectives were: improve the relationship between the sector and the federal government; build sector capacity in the areas of finance, human resources, policy and knowledge, and information management; and improve the regulatory and legal framework under which the sector operates.

The VSI was not a program in the conventional sense, but rather a collaborative effort between government and the voluntary sector. This novel approach was in itself an experiment embracing an international governance trend towards greater collaboration in solving social problems. The structure of the VSI reflected this approach: the first phase had sector and government representatives attending joint tables to develop recommendations that would lead to concrete activities in the second phase. The joint work engaged the GC at the political and executive level with as many as 23 departments and agencies and more than 65 representatives from across the voluntary sector participating.

The VSI's final evaluation was conducted in the similar spirit of joint collaboration whereby the evaluation steering committee drew members from the voluntary sector and GC. This multi-sector approach extends to the Management Response (MR). The voluntary sector, as a joint partner in the VSI, will develop their own response to the evaluation findings that examines how the sector could apply some of the lessons learned.

Overview

As expected with any program with broadly-defined objectives, the VSI succeeded in some areas and had a lesser impact in others. The evaluation report notes the difficulties in achieving desired impacts related to awareness and engagement, increased capacity for the sector as a whole, and the challenges in achieving sectoral contribution to policy development.

Management concurs with the finding that the VSI did not fully achieve its stated objectives. Furthermore, we note and agree with the evaluators on the challenges of conducting a full assessment of the impact of the VSI given: its unprecedented nature and scope; the lack of baseline data on the sector at the time the Initiative was launched to measure impact/change; the differing operating culture of the federal government and the voluntary sector; and the

timing of the evaluation. The evaluation provided a number of lessons learned and key impacts and did not provide recommendations as is the case with more typical program evaluations. As such, this MR provides a response to key lessons learned.

The management of the Community Development and Partnerships Directorate (CDPD) wishes to thank all those who participated in the VSI Impact Evaluation, including other government departments and participants from the voluntary sector.

Key Finding and Lessons Learned – Relationship

Collaboration between the voluntary sector and the government is worthwhile, but requires enormous amounts of time and energy. There are limits to collaboration among partners with divergent operating cultures and clarity among the partners around roles and responsibilities is therefore critical. Specifically the evaluation noted that *"it is necessary to clarify whether the government views the Sector as a provider of goods and services or as the builder of civil society and social capital, or both, and an initiative tailored to these role(s) would likely be more effective."*

Management Response and Proposed Action

Management agrees with these findings and lessons learned, a number of which were reported in earlier VSI process evaluations (among several lines of evidence used in this final evaluation). These findings informed the development of the Voluntary Sector Strategy (VSS), a four year $12M program, introduced in 2005 to follow-up and build upon the VSI.

The design and mandate of the VSS recognized the value and limitations of working with divergent partners choosing a more focussed consultative model to engage the voluntary sector. Similarly, the VSS's design took into account the multiple roles the sector plays in Canada's socio-economic fabric in building civil society, social capital and providing services. While the government may be most familiar with the sector as a service delivery agent, it is important to understand the full spectrum of voluntary sector activity. Part of the mandate of the VSS was to identify and fill the gaps in our understanding of the role, breadth and depth of the sector in Canada, via research and analysis of current data.

The VSI suffered goal "overload" and was unrealistic in attempting to engage the large and heterogeneous voluntary sector, which likely diluted the impacts of the initiative. Specifically the evaluation noted that *"if a new initiative were to carry on in this direction it would be important to learn from the goal overload of the VSI, and restrict the objectives and mandate of any future endeavour."*

Management Response and Proposed Action

Management agrees that the VSI suffered goal overload and was unrealistic in its scope. These findings informed the development of the VSS introduced in 2005 in part to carry to completion the remaining elements of the VSI including the summative evaluation.

The goals and structure of the VSS were focussed and clearer. The objectives of the VSS were to: build awareness of the Accord and the Codes, and of the role and value of the voluntary sector in Canada; enhance the capacity of the sector to engage in policy dialogue with federal partners; and support conditions for innovation, partnerships and strategic alliances within the voluntary sector. As well, a consultative approach, as opposed to a joint relationship, ensured clarity of roles and expectations.

Consistent with VSI lessons learned, the department has emphasized, via the VSS, engagement and consultations with the sector on specific tasks with clear goals and concrete results. VSS activities included the Task Force on Community Investments (TFCI) which reviewed GC funding practices to the not-for-profit sector with a view to providing recommendations to streamline the grants and contributions process and increase accountability. The TFCI was eventually rolled into the larger and similarly mandated Blue Ribbon Panel on Grants and Contributions (BRP). This has led to a government-wide undertaking, including HRSDC, to implement the BRP recommendations to modernize grants and contributions processes.

Improvements in the relationship between the voluntary sector and the federal government tended to be short-lived and adversely affected by expectations around accountability, high staff turnover and changing federal government priorities. Specifically the evaluators maintained that *"In the future, collaborative efforts over an extended period should be organized to reduce the need for continuity of people by documenting the meetings, designating positions as departmental or Sector representatives, but allowing the organizations to fill the positions as they choose."*

Management Response and Proposed Action

Management concurs with the report's findings with respect to expectations, differing accountability regimes and high staff turn-over. The VSS, as the follow-up to the VSI, by virtue of its reduced scope and mandate, mitigated sector expectations. VSS objectives were focussed and concrete, designed to engage the sector on specific issues, including an innovation component. The innovation component engaged the sector in a consultation to identify priorities for the VSS Innovation Funding Program. This funding supported the sharing of innovative best practices among sector organizations across Canada in areas related to service delivery, revenue, governance, human resources and collaboration.

Shifting government priorities and staff turnover are inevitable. By virtue of its continuing interaction with the sector, and the work of the VSS, the government is developing its knowledge and understanding of the sector, increasing the capacity of the sector by virtue of continuing its longstanding partnerships in service delivery, on research and knowledge sharing, and other interactions. This engagement can only increase understanding by both government and sector partners of their respective capacities and concerns, and will serve to set realistic expectations in any future initiatives.

The BRP provides a good example of government sector relationship, the convergence of interest and action. The BRP was a government-wide effort to streamline funding processes and accountability that took into account the fact that many funding recipients are voluntary

sector organizations with differing objectives and accountabilities. The recommendations of the BRP attempt to address these differences and departments across government, including HRSDC, are undertaking plans to implement these recommendations.

Key Finding and Lessons Learned – Capacity, Policy Development and Knowledge

The report concludes that the VSI did not have much of an impact on any of the capacity measures. It notes that measuring capacity is not straightforward given that the voluntary sector is comprised of organizations that vary in terms of size, type, location, population served and mandate and that it is difficult to isolate the impact of the VSI from other external forces that may also have attributed to capacity building.

Management Response and Proposed Action

Management agrees with the evaluators on the limitations of the impact evaluation of the VSI; that attributing impact to an initiative as opposed to external factors is a challenge common to evaluations; and, that evaluation considerations should have been incorporated into the VSI at the outset in order for an evaluation of this type and scale to be successful. Should a similar initiative be undertaken in the future, evaluation considerations will be incorporated in its development.

One of the challenges of the VSI was the lack of baseline data on the sector at the time the Initiative was launched. Future initiatives on the sector will have the advantage in establishing baseline data in order to measure impact using a number of sector focussed surveys and data sets developed out of the VSI. This includes the Satellite Account of Nonprofit Institutions and Volunteering, the National Survey of Nonprofit and Voluntary Organizations (NSNVO) and the Canada Survey of Giving, Volunteering and Participating (CSGVP). Part of the mandate of the VSS was to identify and fill the gaps in our understanding, for all stakeholders, of the role, breadth and depth of the sector, via research and analysis of these data.

Program design flaws in the Sectoral Involvement in Departmental Policy Development (SIDPD) were noted including the speed of program implementation, resulting in lack of engagement of the whole sector; lack of a clear reporting and accountability framework; and a lack of a strategy to facilitate knowledge transfers.

Management Response and Proposed Action

Management agrees with the evaluation report on the shortcomings of the SIDPD and its limited ability to enhance policy development capacity within the voluntary sector. Should similar programs be undertaken in the future, they should be developed with tighter controls and with clear roles and expectations of both the government departments and voluntary sector.

While many of the VSI activities were not aimed at the institutional level, the fact that the learnings were not formalized in any way represents a missed opportunity to fully capitalize on the experience, and to identify ongoing impacts. *The most visible and sustainable outputs of the VSI were in the parts of the Initiative institutionalized (Human Resource Council for the Voluntary and Nonprofit Sector and Satellite Account)*

Management Response and Proposed Action

Management agrees with the evaluation findings that there were missed opportunities in capturing lessons learned from those activities that were not sustained or institutionalized. HRSDC continues to fund the Human Resource Council for the Voluntary and Nonprofit Sector through its Sector Council program. Future initiatives will include evaluation in the design to better capture lessons learned, in particular for those activities that will not be sustained beyond the initiative. We agree that the more sustained elements of the VSI demonstrate the importance of permanent or ongoing elements such as the sources of sector data.

The VSI initiated and/or solidified a number of important sources of sector data including the Satellite Account of Nonprofit Institutions and Volunteering, the National Survey of Nonprofit and Voluntary Organizations (NSNVO), the Canada Survey of Giving, Volunteering and Participating (CSGVP) and tax files from Canada Revenue Agency (CRA). These and other research projects were very important in developing the Sector's identity and ensure the availability of official economic statistics, but there are still gaps and inconsistencies for certain measures.

Management Response and Proposed Action

Management agrees with the evaluation findings regarding the importance of the sources of sector data. HRSDC has worked, in coordination with other government departments to ensure that established data sources continue to be funded, and works, via the VSS, to derive further useful analysis of this data for all stakeholders. This work serves to maximize the use of these data, and helps to identify and fill knowledge gaps. While these data have led to a better understanding of the sector's size and importance in Canada, gaps remain and surveys and data sets need to be sustained and or updated.

Key Finding and Lessons Learned – Legislative and Regulatory Reform

The full impact of the Charities Regulatory Reform Initiative has yet to occur due to implementation delays. The *Not-for-Profit Corporations Act*, first tabled in 2004, has not yet passed Parliament, dying on the Order Paper in 2006 and again in 2008. Evaluators suggest "*A collaborative effort can create Acts for consideration of Parliament, but their completion requires government approval and support.*"

Management Response and Proposed Action

Management concurs with the findings of the evaluation report with respect to regulatory reform and has been working to increase awareness among all stakeholders of the importance of the sector's service to Canadians. **It should be noted that this legislation has passed, receiving royal assent June 2009.**

Key Finding and Lessons Learned – Evaluations

Evaluating the VSI is difficult because program goals and objectives were not linked in advance, nor were there clearly specified and quantifiable impacts to be achieved. Linked to this is the difficulty, for any evaluation, in establishing causality in the real world, where it is impossible to control the external environment to conclude that observed changes (positive or negative) are attributable to the VSI.

Management Response and Proposed Action

Management agrees with the evaluators on the limitations of the impact evaluation of the VSI; that it was necessary that the evaluation function be incorporated into the VSI at the outset in order for an evaluation of this type and scale to be successful. We have ensured that similar programs and initiatives, such as the VSS, by virtue of reduced scope and mandate, have clear objectives that allow for more measurable impacts.

1. Introduction

The Government of Canada and the voluntary sector have a long history of working together providing Canadians with goods and services in areas such as: arts and culture, social services, environment, faith, and sports and recreation. This relationship had deteriorated in the early to mid 1990s as a result of government spending reductions aimed at voluntary organizations. Funding of a variety of sector organizations engaged in advocacy was closely examined suggesting the organizations were just "special interest groups" needing more accountability and regulation.

1.1   The Voluntary Sector Roundtable

In part as a reaction to these concerns for improved accountability in the voluntary sector, the Voluntary Sector Roundtable (VSR) was established in 1995. It was critical in developing leadership in, and the voice of, the Sector. The VSR was a group of 13 national organizations from the voluntary sector that came together to discuss issues of concern for the Sector overall. In 1997 the VSR took it one step further and established a task force of individuals who met with government finance officials to discuss charitable tax incentives.

Later in 1997, the VSR established an arms-length voluntary panel of six Canadians, headed by Ed Broadbent, with a mandate to consider how governance and accountability within the Sector might be improved as well as how the Sector's relationship with the federal government might be strengthened.

Following the 1997 federal election, the government began to take steps to implement the commitments made in the electoral Red Book regarding increased engagement of the Sector. The Canadian Revenue Agency (then Revenue Canada) led an interdepartmental committee of Assistant Deputy Ministers (ADMs) to discuss how the recommendations were to be implemented. In the summer of 1998 the Voluntary Sector Task Force (VSTF), reporting directly to PCO, was established and was given the job of determining what the issues were, creating a to-do list for government and getting Aide Mémoires to Cabinet. This joint effort was also strongly supported by the Sector. The Sector had contributed up to this point via the recommendations reached by the Broadbent panel as well as meetings between the VSTF and the VSR.

Meanwhile, the final product of the Broadbent panel was the release of the report in February 1999 titled "*Building on Strength: Improving Governance and Accountability in Canada's Voluntary Sector*", which made 41 recommendations. Following the release of the report, the government and the Sector created three joint tables each with a specific focus: Building a New Relationship, Strengthening Capacity, and the Regulatory Framework. The Joint Tables each had seven members from the federal government and seven from the voluntary sector; they were also jointly co-chaired. The Joint Table sector participants were selected by the Voluntary Sector Roundtable. Within four months, 26 consensual recommendations were published by the participants of the tables in the form of the *Working Together* Report. After

some revision to the original recommendations, an agreement was reached concerning the approach to implementing the recommendations. This collaborative effort formed the basis for the Voluntary Sector Initiative (VSI) along with budget allocations.

1.2 The Voluntary Sector Initiative

The VSI objectives were based directly on the *Working Together* report and subsequent collaboration between the VSR and the government. In 1999 the Throne Speech recognized the need for a partnership between the Government of Canada and the voluntary sector. In 2000, this resulted in the joint initiative "Partnering for the benefit of Canadians: Government of Canada-Voluntary Sector Initiative", and was funded by an allocation of $94.6 million and a 5-year commitment in the federal budget.

The Voluntary Sector Initiative (VSI) was aimed at improving the working relationship between the government and the voluntary sector. The three main areas of focus were;

- Improving Sector-government relationships;

- Building Sector capacity (human resources, knowledge, financing, IM/IT, policy); and,

- Improving the regulatory and legal frameworks under which the Sector operates.

The Voluntary Sector Initiative was jointly led and managed by the federal government and the Voluntary Sector. Both the Sector and government established structures to lead their respective work on the VSI. Voluntary Sector Leadership was comprised of:

- The Voluntary Sector Steering group that included
  - Members of the Voluntary Sector Roundtable
  - Voluntary sector co-chairs of Joint Tables
  - Chairs of Sector Working Groups
  - Voluntary Sector members of the Joint Coordinating Committee
  - One representative each from the Visible Minority and Aboriginal Reference Groups

- Federal government Leadership was comprised of:
  - A reference group of Ministers, chaired by the President of the Treasury Board;
  - Voluntary Sector Task Force reporting to the Deputy Secretary to the Cabinet, Machinery of Government and Privy Council Office;
  - Government Members of the Joint Coordinating Committee;
  - Assistant Deputy Ministers Executive Committee; and
  - Government co-chairs of Joint Tables.

The budget for the VSI was allocated to the following key activities:

Table 1.1 The Voluntary Sector Initiative (VSI): Budget Allocation and Key Activities	
Activity	**$M**
Capacity	14.0
Information Management/Information Technology	10.0
International Year of the Volunteer & National Volunteerism Initiative	9.9
Repeat NSGVP Survey and create Satellite Account	5.9
Awareness	5.0
Accord	5.0
Regulatory	6.0
Voluntary Sector Task Force	2.4
Voluntary Sector Initiative Secretariat	2.0
Joint Coordinating Committee	1.7
Director's Liability	1.6
Communications	1.6
Federal Funding Study	1.0
Sub Total	**66.1**
SIDPD	28.5
Total	**94.6**
Taken from the VSI Summative Evaluation Framework and Methodology Report, NEDG (2005)	

The bulk of the VSI budget was allocated to the two-year Joint Table phase (September 2000 through October 2002, which totalled $58.1 million (or 61% of VSI funds).

Significant resources (30% of the total VSI budget) were dedicated to increasing the capacity of Sector organizations to contribute to policy through the Sectoral Involvement in Departmental Policy Development (SIDPD) projects. The $28.5 million allocated to the SIDPD portion of the VSI funded two rounds, with a total of 26 federal departments partnering with voluntary sector organizations.

The objectives of SIDPD were:

- To improve the opportunities for input within federal departments by voluntary sector organizations, and

- To strengthen the capacity within the Sector to contribute to policy development.

1.3 Horizontality and Collaboration

Horizontal Management can be thought of as collaboration within a government, a sector or an organization. It involves working cooperatively across boundaries. (Horizontal Initiatives CCMD Governance Research Roundtable, 2003).

With a focus on *collaboration* between the federal government and the voluntary sector, the VSI was intentionally decentralized and the primary vehicles used were six Joint Tables comprised equally of government and Sector representatives. The VSI was large in scope and complex in terms of governance and number of activities.

The process evaluation reported that the VSI was both a joint and a decentralized undertaking. It was an exercise in collaboration and in horizontal management. Collaboration was described as the government and the voluntary sector working jointly along a vertical dimension. The horizontal dimension was managing the decentralized process across government and within the voluntary sector.

Some parts of the VSI was conducted jointly while other aspects were undertaken separately by either the voluntary sector or by the federal government with little involvement of the other albeit each was working toward the same end.

The process evaluation also reported that the VSI faced conflicting dimensions of components being joint/separate, decentralized /centralized.

There were parts that were joint or separate and influenced by the specific activity. Two separate and decentralized components led by government working groups were the: Federal Funding Policies and Industry Canada's Reform of the *Canada Corporations Act*.

Sector-only Working Groups were established to address two issues that were not a joint part of the VSI; The Working Group on Advocacy and one on Sector Financing.

The limits of collaboration demonstrated that some issues may be better dealt with outside of collaborative means.

1.4   The Context for the Synthesis

Over the course of the VSI and after its completion, several evaluation studies were conducted. This report is a synthesis of the work done on the evaluation of the VSI. Its purpose is to bring together evidence from multiple sources, including survey results, quantitative macroeconomic data, case studies, and key informant interviews, and assess whether the stated objectives were successfully met. This work is being carried out on behalf of the Evaluation Branch at HRSDC.

This evaluation undertaking is considered[2] unusual in two ways; first, it is rare for governments to undertake evaluations on major policy initiatives. Second, it is even rarer to have outside experts invited to contribute to discussions around the design of the evaluation, which occurred at the HRSDC-sponsored VSI Methodology Conference in December 2005.

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[2]   Taken from opening comments made by Lester M. Salamon at the Methodology Conference in December 2005.

1.5 VSI Activities

The VSI had a number of different groups undertaking numerous activities. It was an exciting time, with a genuine sense of enthusiasm and accomplishment permeating the meetings and events. A partial list of activities is provided below to give a flavor of what was happening.

1.5.1 Accord and Codes

In December 2001 *An Accord between the Government of Canada and the Voluntary Sector* was signed, articulating principles intended to govern the working relationship between the Government of Canada and the voluntary sector, when they choose to work together.

In addition, two codes of "good practice" were launched in October 2002. The *Code of Good Practice on Policy Dialogue* established guidelines that allow the Government of Canada and the voluntary sector to engage in an open, informed and sustained dialogue. This dialogue permits the Sector to contribute its experience, expertise, knowledge and ideas to the development of better public policies and to the design and delivery of programs.

The purpose of the *Code of Good Practice on Funding* is to guide interactions between the Government of Canada and the voluntary sector on funding policies and practices.

In parallel, the Treasury Board was mandated to examine impediments in federal funding practices and policies in relation to the voluntary sector, with the objective of providing greater consistency across departments and to improve the government's ability to strengthen sector capacity. This work resulted in the Federal Strategy on Funding Practices and Policies from which certain key elements were integrated into the *Code of Good Practice on Funding*.

1.5.2 International Year of Volunteers (IYV)

In November 1997, the United Nations General Assembly proclaimed 2001 as the International Year of Volunteers (IYV), providing a unique opportunity for organizations around the world to promote and celebrate volunteers and volunteering. The 1999 Throne Speech renewed the federal government's commitment to the voluntary sector. In the year 2000, the federal government launched the Voluntary Sector Initiative (VSI).The voluntary sector and the federal government jointly led the initiative, and the IYV was launched in December 2000.

1.5.3 Canada Volunteerism Initiative (CVI)

As a follow-up to the IYV, in December 2001, the Canadian Volunteerism Initiative (CVI) was announced and led by the Department of Canadian Heritage. It aimed to improve the ability of organizations to benefit from the contribution of volunteers, to encourage Canadians to participate in voluntary organizations, and to enhance the

experience of volunteering. The initiative established a Knowledge Development Centre; an Information, Capacity-Building and Awareness Centre; a Community Support Centre; and thirteen local networks to support and encourage volunteerism across Canada. The CVI ended in March, 2007.

1.5.4   Sectoral Involvement in Departmental Policy Development (SIDPD)

The Sectoral Involvement in Departmental Policy Development (SIDPD) was a $28.5 million program aimed at creating a closer policy development relationship between the federal government and the voluntary sector. The purpose of the SIDPD was:

- To enhance policy development in departments by strengthening opportunities for input by voluntary sector organizations; and

- To strengthen policy capacity within the voluntary sector to contribute to departmental policy development.

1.5.5   Human Resources Sector Council for the Voluntary Sector

As part of the Sector Council Program, Human Resources and Social Development Canada launched a Human Resources Council aimed at the voluntary and not-for-profit sectors. The HR Council is an independent, nonprofit organization that provides leadership on issues related to paid employment in the voluntary/nonprofit sector. It brings Sector employers and employees together to work collaboratively on research, strategies and action.

1.5.6   Improved Statistical Information on the Nonprofit Sector

New data bases and continuing surveys which help to define and delineate the Sector with precision and rigour as never before were developed, including the Satellite Account of Nonprofit and Voluntary Sector Institutions; National Survey of Nonprofit and Voluntary Organizations (NSNVO); and Canada Survey on Giving, Volunteering and Participating (CSGVP).

1.5.7   Regulatory Recommendations

The JRT's final report proposed 75 recommendations for regulatory reform, of which 60 were supported in the 2004 federal budget and 9 were partially supported. Most key informants commented favourably on the large number of recommendations that were supported. Developments subsequent to 2005 continue to build on these recommendations.

1.5.8 Value Added Awareness Campaign

The campaign was designed to include and be carried out by any and all Sector organizations to help Canadians understand the role of the charity and nonprofit sector in Canadian society. The goal and design of this awareness campaign reflects the innovation, self-reliance and adaptability that is indicative of the charitable and nonprofit sector by providing participating organizations with a kit to help incorporate Sector information into their corporate documents.

1.5.9 Policy Internships and Fellowships (PIAF)

The PIAF Program placed interns and fellows in host organizations in either federal government departments or voluntary sector organizations in order to develop policy knowledge, experience, and skills in both sectors and to enable the voluntary sector to become a more viable partner in the development of public policy by applying and sharing their knowledge on returning to their home organizations.

1.5.10 National Learning Initiative (NLI)

The NLI is an effort to foster dynamic leadership in the Sector. The NLI identified core skills/competencies for Sector leaders and developed learning opportunities and reports through pilot projects and engaging Sector leaders in workshops across Canada. Several human resource tools were developed to assist Boards of Directors with hiring and performance appraisals for their Executive Directors.

1.5.11 Toolkits and Manuals

A number of products emerging from the VSI were tools, manuals and best practice information for use by both the government and the Sector including: how to implement the Accord and Codes; A Primer for Directors of Not-for-profits; Information Management and Technology; Funding; and Sector Identity.

Before turning to the synthesis of the evaluations, a description of the Voluntary Sector in Canada is provided in Section 2.

2. The Structure and Trends in the Voluntary Sector

The Satellite Account for nonprofit organizations notes that the nonprofit sector is often referred to interchangeably as "civil society", "voluntary", "third", or "independent" sector. The definition of the voluntary sector is based primarily on the criteria described in the United Nations *Handbook on Nonprofit Institutions in the System of National Accounts (2003)*. Voluntary organizations are institutionalized to some extent, separate from government, self-governing, do not exist to generate profits, and have non-compulsory participation. A **Core group** of organizations is identified which excludes Hospitals, Universities and Colleges (since these groups in Canada are closely tied to government). The Sector is a vital contributor to all aspects of Canadian life, and carries out important work in many areas including: arts and culture, religion, sports and recreation and environmental protection, to name a few.

There were two major research initiatives funded through the VSI. The objective of the National Survey of Nonprofit and Voluntary Organizations (NSNVO), conducted in 2003, was to produce statistical information on the finances, human resources and challenges faced by organizations in the voluntary sector. The Canada Survey of Giving, Volunteering and Participating (CSGVP), is now a recurring survey, conducted in 1997, 2000, 2004, and 2007 that focuses on Canadians' donating and volunteering behaviour.[3]

One of the background reports to the Evaluation of the VSI was an analysis of the Sector characteristics in the pre-VSI period and into the VSI (*Voluntary Sector Current Conditions and Trends*, 2007), and drew on statistics from multiple data sources.

2.1 Volunteering

The number of volunteers should be readily at hand given their importance to the voluntary sector and society. However, there is not an agreed-on estimate, with difficulties arising from a number of issues such as multiple organizations for which a given volunteer works, the intensity of that work (hours per year), and the reporting of volunteering on various surveys. The Satellite Account, using the estimates for 2000 from the NSGVP, estimate that there are about 6.5 million people providing some volunteer time. That time averages about 162 hours per year or 20 days per year. In full-time–equivalent (FTE) units, that translates into about 540 thousand FTEs per year.

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[3] The survey originally was the National Survey on Giving, Volunteering, and Participation (NSGVP). The name change occurred in 2001, after Treasury Board approved the survey as on-going. "Canada" was added to distinguish this survey from those conducted in other countries.

However, these rough estimates of volunteering are not good enough if programs are to be evaluated based on performance measures such as the increase in volunteerism. Conceptual issues exist – such as: how to handle multiple organizations, volunteer time provided by employers who allow and/or encourage their employees to volunteer on company time, volunteers in support of profit-making organizations, volunteers within government departments, etc.

2.2 Paid Employment

Paid employment estimates from the NSNVO have placed the number at 2 million full-time and part-time jobs, one-third of which are in the Core sector (in 2003). Paid employment estimates were compared across several data sources, and a modest upward trend in employment, both in the total Sector and the Core, was evident. The wage bill for the voluntary sector in 2004 was $72.2 billion, and $23.1 billion for the Core sector. There has been an average annual increase in the total wage bill of 6.1% in the total Sector and 6.9% in the Core over 1997-2004.

2.3 Sales of Goods and Services

The primary source of funds for organizations in the Sector is the sale of goods and services. There appears to be a strong upward trend in the amount of revenue received for the sale of goods and services by organizations operating within the Core sector. The Satellite Account shows a jump of over 35% in the Core between 2000 and 2004 to a record level of $25.9 billion. Over the course of the VSI shown in the Satellite Accounts (2000-04[4]), revenues from the sale of goods and services grew at an average annual rate of 8% in the Core Sector, slightly lower than in the pre-VSI period (1997-99) of 9%.

2.4 Transfers from Government

Transfers from governments to the total Sector were approximately $67.8 billion in 2004, of which $12.6 billion went to organizations in the Core. There was an average increase of 6.2% in government transfers to the total Sector between 1997 and 2004, and a slightly higher growth rate of 6.4% in transfers to the Core during this period. Provincial government transfers to the Core as a share of total government transfers have fallen from 82% in 1997 to 71% in 2004. Transfers from the federal government have increased from 17% of the total in 1997 to 26% in 2004; municipal government transfers have also increased from just below 1% in 1997 to almost 4% in 2004.

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[4] At the time of the writing of this report, the most current data available from the Satellite Account was for 2004.

2.5 Charitable Giving

Most charitable giving goes to organizations in the Core sector. In 2004, donations from individuals totalled $8.5 billion. Charitable giving grew at a healthy rate of 7% on average between 1997 and 2004 (growth has been especially strong since 2002). Data on individual giving gathered from tax files shows that the proportion of people who give has remained fairly stable, at around 25% of the adult population.

2.6 GDP and the Size of the Sector

The size of the Sector, as measured by gross domestic product (GDP), was over $83 billion in 2004, which is the result of average annual growth of 6.3% since 1997. Growth in the Core was stronger, with an average annual growth rate of 7.3% during this period, resulting in over $29 billion in 2004. As a share of the national economy, both the Core and the total voluntary sector are up; the total voluntary sector made up 6.2% of the total economy in 1997 and in 2004 was up to 6.5%. The Core sector contributed 2.1% of the national GDP in 1997; its share in 2004 was 2.3%.

2.7 External Environment

There were changes that occurred to the external environment during and after the VSI that may have enhanced or mitigated the impacts of the initiative. According to some in the Sector, the change in government was seen to have had a negative effect on the Sector in terms of funding and the government's commitment to engage the Sector. The more stringent accountability and reporting requirements that emerged in the 2000s, during and after the VSI, made it more difficult for organizations to receive and manage government grants and contributions. This was at odds with the VSI objective of improving the mechanisms for receiving and managing funding.

2.8 Satellite Account of Nonprofit Institutions and Volunteering

The Satellite Account in Canada's System of National Accounts is the most robust and comprehensive source of information on the voluntary sector available in Canada. Statistics Canada is among the first statistical agencies in the world to identify and illuminate the important role that the voluntary sector plays via its inclusion in the National Accounts. The development of the Satellite Account was funded through the VSI to ensure the availability of official economic statistics on this third pillar of Canadian society. Statistics Canada was guided in the construction of the Satellite Account by the concepts and methods outlined in the United Nations *Handbook on Nonprofit Institutions in the System of National Accounts.* Statistics Canada emphasizes that the economic contribution of the voluntary sector is only one dimension of its much

larger impact on society; complementary surveys (such as the CSGVP) were conducted in an attempt to capture some of the non-market aspects of the Sector.

2.9 Knowledge and Research on the Voluntary Sector

The Johns Hopkins Comparative Nonprofit Sector Project began in 1990 and was aimed at increasing knowledge about the voluntary sector and providing a basis for informed public and private action. Comparisons were made across countries on the size, scope, structure and role of the Sector. Funding provided by the Capacity Joint Table Advisory Committee, through its Research Steering Committee (RSC) in the summer of 2002, facilitated Canadian participation in the project. The findings were published in the report, *The Canadian Nonprofit and Voluntary Sector in Comparative Perspective (2005)*, and pertain to the size of the Sector, its workforce, revenue sources, and functions. In an international comparison, Canada was shown to be second behind the Netherlands in terms of the share of voluntary workforce as a proportion of the overall workforce.

Based on the data analysed, the authors liken the Canadian nonprofit sector to that of the welfare partnership model, which includes countries such as the Netherlands, Belgium, France, Germany and Ireland. This research work places Canada in an international context in measuring the contribution of the voluntary sector, and adds to our knowledge base.

3. Voluntary Sector Initiative (VSI) Impacts on Sector-Government Relationships: Evaluation Findings

There are two distinct elements in the Sector-Government relationship that warrant evaluation. There are a formal set of agreements, developed collaboratively, that are meant to guide the relationship. These are the *Accord* and the *Codes*. In parallel, there was a process of joint tables and programs launched to make progress on improving relationships, building capacity, and making progress on improving the regulatory framework.

In this section the evaluation findings for the Accord and Codes are examined first, and then the other efforts for improving the relationship are covered. Evaluations of the capacity building and regulatory objectives have their own sections below.

3.1   Implementing the Accord and Codes

In December of 2001, an *Accord between the Government of Canada and the Voluntary Sector* was signed, articulating principles intended to govern the relationship between the government and the Sector. There was much research and consultation involved in the drafting of the accord and codes; part of this process involved examining the national compact in the United Kingdom[5]. The Accord and Codes between the Government of Canada and the voluntary sector were developed, negotiated and consulted broadly all across Canada. In October 2002, the *Code of Good Practice on Policy Dialogue* and *The Code of Good Practice on Funding* were released.

Awareness of the *Accord Between the Government of Canada and the Voluntary Sector* was very high among government officials (48/52), and half thought that it had been somewhat successful in guiding collaborative work based on priority issues (3/52 thought it had been very successful). Evidence of the Accord's success was offered as follows;

- The development of useful (in the long term) materials including reports (e.g., *Forging Stronger Links: Applying the Voluntary Sector Accord and Codes*) and recommendations;

- Easier engagement with the public due to adherence to the *Accord*'s principles;

- More efficient program or project delivery in areas where the Voluntary Sector is active; and

- The creation of various working groups (e.g., Working Group on Pan-Canadian Healthy Living Strategy), codes (e.g., Code of Good Practice), and policies (e.g., Smart Settlement).

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[5]   The national Compact in England was a broad policy statement that provided the principles upon which to build a partnership between the government and the voluntary sector (www.thecompact.org.uk)

While awareness of the VSI and its various tools was low, an overwhelming majority of those in the Sector who saw an improvement in the relationship between the government and the Sector thought that the initiatives, tools and resources of the VSI were responsible for the improvement in the relationship between the voluntary sector and the federal government (30% said to a great extent; 55% to some extent). However, very few (8%) thought that government officials had incorporated the values, principles and practices of the Accord and Codes in the way they dealt with the Sector, 19% thought they had done this to "some extent."

The *Code of Good Practice on Policy Dialogue* was not attributed, to a great extent, for the improvements seen by some in the Sector (11% "great extent" and 38% to "some extent"). Among government officials surveyed, awareness of the *Code of Good Practice on Policy Dialogue* was high (32/47) and slightly less than half (16/33) thought the Code had been somewhat successful. The SIDPD project report found no evidence of an impact, or even use, of the *Code of Good Practice on Policy Dialogue* in any of the 15 projects that were reviewed.[6] No evidence of current use of the Code was found in any of the other documents synthesized.

Key informants involved with the VSI indicated that the Accord and Codes had been a factor in the development of programs and procedures.[7] These are not currently "living documents" and neither guide nor improve the relationship between the federal government and the Sector or improve the capacity of the Sector in any significant or systematic way. Voluntary organizations, as reported in the survey of voluntary organizations, do not perceive the federal public service as currently supporting or promoting the Accord and Codes in any vigorous or uniform way across the federal government.

3.2   Longer-Term Outcomes of the Initiative

The intended short-term and medium-term outcomes identified in the evaluation framework serve as the outline for this report's evaluation findings. The longer-term outcomes are considered to be the fundamental shifts in attitudes and environment that occur as a result of the VSI. They are usually observable within 2 to 5 years. While some might be present at this stage, others will not be observed until a later point in time and are not explicitly part of the evaluation framework (except via sustainability). The following is a list of the areas identified where long-term outcomes are expected:

- Increased trust and respect between the federal Government and the voluntary sector;

- Joint accountability for non-financial outcomes;

- Strengthened government policies and practices;

- Improved Programs and Services to Canadians;

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[6]   The start of Round 1 projects predated the development of the Code.
[7]   Examples given; the Canadian Health Network's "Strategic Directions', departmental RFPs, the Canadian Strategy on HIV/AIDS, the terms and conditions for the Population Health Fund and the Grants and Contributions Standard Operating Procedures Manual.

- Recognition of the voluntary sector as playing an integral role in strengthening communities; and,

- Recognition of the value and importance of the voluntary sector within Canadian society.

3.3 Measuring Progress in Partnerships

As a precursor to the impact evaluation, a methodology conference was held in December 2005 (*Measuring Progress in Joint Partnerships with Government: Methodologies to Assess the Voluntary Sector Initiative*), to which experts were invited to share their insights and experiences with evaluating social policies. One of the presenters at the conference was Lester M. Salamon, who discussed third-party governance. He pointed out that while collaboration between governments and voluntary sector organizations has long characterized the delivery of social services, the scale and scope of these collaborations has increased significantly in the recent past. As the Sector is increasingly used as a delivery agent for government programs and services, proper management of the complex and extensive *collaborative systems* underlying the provision of government goods and services is essential.

This "new governance" paradigm requires a shift in focus in five areas: experts in policy areas are required ("tools of action"); attention needs to be on *organizational networks* rather than on *hierarchical agencies*; collaboration must replace competition in the relationship between the government and the voluntary sector; negotiation and persuasion must replace "command and control" as the tool for public managers; and, shifting from *management* skills to *enablement* skills. The VSI is considered by Salamon to be a striking example of this "new governance" paradigm, which acknowledges the collaborative nature of the relationship between the government and the voluntary sector. He also notes that the VSI demonstrates sensitivity on the part of government to the issue of capacity and its importance as part of a combined public-private delivery system. The VSI was less clear on the extent to which the public sector was targeted for broad changes to be made in the skills, knowledge and comprehension of public sector managers.

In the sections that follow, the short- and medium-term outcomes from the Logic Model are used as the headings, with a summary of the evidence about these outcomes provided.

3.4 Engagement of the "Whole of Government" and the "Whole of Sector" on Horizontal Issues

By design, the VSI process attempted to engage the "whole of Sector;" however, multiple lines of evidence - both participants' perceptions of the scope of engagement and the actual extent of the impacts - show that the Sector's diversity (particularly in terms of size/capacity) prevented this outcome from being achieved. There is mixed evidence as to the success and feasibility of the engagement of the "whole of government".

The presentation[8] at the Methodology Conference by Dr. Susan Philips highlighted some of the findings from the formative evaluation. The strengths that were emphasized included: the Joint table model as a mechanism for dialogue between the Sector and the government, building of trust, individual leadership displayed, and the people involved and the commitment they showed to the process. The challenges, including the overly broad mandate, the lack of clarity surrounding the mandate, the complexity of the structure and absence of a centre to coordinate the process, were also covered.

3.4.1   The Joint Tables

The 2003 Formative Evaluation provided an overview of the implementation of the VSI. The primary vehicles for collaboration between the Government of Canada and the voluntary sector were six Joint Tables:

1. Joint Accord Table (JAT);

2. Awareness Joint Table (AJT);

3. Capacity Joint Table (CJT);

4. Information Management/ Information Technology Table (IM/IT);

5. National Volunteerism Initiative Joint Table (NVI); and

6. Joint Regulatory Table (JRT).

Several smaller collaborative mechanisms focused on specialized and often pre-existing work, such as the Canada Survey of Giving, Volunteering and Participating and an Experts Group on Nonprofit Law and Liability.[9]

In addition to the matters addressed in a joint manner, there were several separate activities. On the voluntary sector side, these included two Working Groups (on Advocacy and on Financing) and two Reference Groups (representing the Aboriginal and visible minority communities). On the government side, there was a Study on Funding, the development of a Satellite Account at Statistics Canada, and ongoing work at Industry Canada on legislative reform governing the incorporation of nonprofits.

A Joint Coordinating Committee (JCC) was given responsibility for coordinating the various components of the VSI. For the Government of Canada, political leadership was provided by a Reference Group of Ministers and by an ADM Executive Committee. They were assisted by a broader ADM Advisory Committee and by three interdepartmental committees. On the voluntary sector side, leadership was provided by a body known as the Voluntary Sector Steering Group (VSSG). It was built around a core group, the Voluntary Sector Roundtable, which was an unincorporated association of 12 representatives of

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[8]   Process Evaluation of the Voluntary Sector Initiative, by Dr. Susan Phillips.
[9] $1.6 million in VSI funds was given to Industry Canada to set up this group to deal with director liability issues and to expedite the development of laws regarding nonprofits. This group met throughout 2001.

national organizations and coalitions from the major parts of the Sector that had provided policy leadership for the Sector since the mid-1990s. It also included the Sector co-chairs of the Joint Tables, the chairs of the Sector-only Working and Reference Groups, and the Sector members of the JCC.

The SIDPD portion of the VSI was co-ordinated by the VSTF at the Privy Council Office. In October 2002, at the end of Phase I, management responsibility for the coordination of the VSI including SIDPD was transferred to Canadian Heritage. In 2003 it was transferred, yet again, to HRSDC (then SDC). The first phase of SIDPD began in the summer of 2001, involved 9 federal departments, funding of $11.6 million, and approval of 21 projects. The second round followed directly and involved 16 departments, $15.1 million and 46 projects. Considerable changes were implemented in the solicitation and approval process for second-round projects due to design weaknesses identified during the first round.

While it was initially recommended that the VSTF support a central implementation team, since the Privy Council Office does not have the authority to hold program funds, this suggestion was considered to be impractical. Also, it was thought that if relevant departments had incentives via direct financial administration, they would be more likely to get involved in the implementation. Both the VSTF and the departments were in favour of the Joint Table Model, and agreed to have six tables, each one affiliated with a department rather than being under the direct control of a common centre.

Both government and voluntary sector participants found the complexity of this decentralized design problematic. The structure was commonly seen as being laborious and cumbersome: more structure meant more process, and an inordinate amount of time had to be spent in process (i.e., in coordinating, communicating, managing the information flow, etc.). Because the Joint Tables were "owned" by departments, neither the JCC nor any other central body could drive the process; they could only monitor it.

Financial administration was shared among the following departments: Industry Canada, Health Canada, Human Resources and Skills Development Canada, Canada Customs and Revenue Agency, Treasury Board Secretariat, and Canadian Heritage. Each of these departments had responsibility for key activities. Both the VSTF and the VSIS were funded through the Department of Canadian Heritage.

3.4.2   Communications

Communication of the work of the VSI to the public was provided by two secretariats - one for the government (VSTF) and one for the Sector (VSIS), which, among other functions, provided communication to the public on the work of the VSI. There was a general feeling among Sector participants that they did not share equal status with their government counterparts in this function. They attributed this inequality to the fact that the Sector does not speak with one voice. While the Sector is not easily represented by one voice, the whole of government did not have a problem with the VSTF speaking for it on issues related to public communication on VSI issues.

While the VSIS conducted outreach for consultations with the Sector (140 consultations were held, with over 5,200 participants, 5% of which were held in small or remote areas), invitations to participate in the consultations relied mainly on existing networks and contacts. Francophone communities, First Nations, sports organizations, youth, and rural and northern groups were under-represented in this process (i.e., the "whole of Sector" was not represented).

Sector representation on the Joint Tables of the Sector was comprehensive at the regional level, with organizations from all provinces and territories, except Nunavut, engaged. An attempt was made, during the joint table phase, to rectify the lack of representation from First Nations and visible minorities via the creation of two reference groups which were given observer status at the Tables. However, there was a general sense that these reference groups had marginal impacts on the broader VSI (the National Aboriginal Voluntary Organization that arose from the Aboriginal reference group is no longer in existence). Women were over-represented on the Tables (36 women to 27 men), although evidence suggests that only one women's organization sat at the tables.

3.4.3 The VSI Process Evaluation for the Joint Table Phase

The VSI process evaluation, released in April 2004, was designed to assess how well the process and mechanisms of the VSI had worked, and whether the approach had been well-suited to achieving the objectives up to the end of the two-year Joint Table phase ending in October 2002 (excluding SIDPD). The Process Evaluation drew evidence from 102 interviews with VSI participants and a full review of the documents produced for the VSI. It reported that the work had been completed, although slightly behind schedule due to the longer-than-expected relationship-building phase at the front end. It also reported that participants on both sides (i.e., government and voluntary sector) felt that the relationship was moderately better at the end than it had been at the beginning. Finally, the process and outcomes were both rated as moderately effective, on average 6.9 and 6.7 (out of 10).[10]

The majority view among participants was that the VSI suffered from goal overload: the mandate of the VSI appeared diffuse and lacked clear, time-sequenced priorities. It was also reported that the clarity of purpose was hindered by an initial lack of focus on outcomes. The voluntary sector identified the failure of the government to unequivocally take off the table some of the issues[11] that were of key concern to those in the Sector as an ongoing source of criticism.

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[10] The Voluntary Sector Initiative Process Evaluation, Final Report, April 2004.
[11] The voluntary sector's key issues were identified as 1) the regulation of advocacy; 2) access to tax benefits; and 3) financing the sector.

There were both successes and shortcomings of the Joint Tables. They were generally seen, by participants, as successful as they facilitated dialogue and resulted in greater mutual understanding. However in the area of engagement and participant continuity there were weaknesses. The intention of bringing together the whole Sector resulted in challenges faced by small, inexperienced organizations that had no background in policy development. The fact that each of the six Tables was affiliated with a department was seen as problematic by both government and Sector participants, being described as laborious and cumbersome. Financial resources were deemed adequate; the main challenge was in staffing. Over the twenty months in which the Joint Tables met actively, roughly one-third of the total membership changed (50% for government and 10% for voluntary sector). Both the governance (5.5 out of 10) and accountability (5.2 out of 10) aspects of the VSI were given low marks by participants.[12] There was no clear demarcation where joint accountability ended and internal government accountability began.

Despite these efforts, feelings persisted in the Sector that the VSI was engaged with large national organizations. This view was reinforced during the SIDPD phase, where most projects funded were from a pool of large national organizations. The VSI process evaluation cites the lack of capacity among many Sector organizations as the reason for this allocation of funds. This view was borne out in the survey results of voluntary sector organizations, which showed that the smallest organizations (<$100K in revenue) are less apt to see improvements in their overall relationships; opportunities for collaboration and joint activities; and inclusiveness.

During the VSI process evaluation, government and Sector participants agreed on the level of engagement of government departments (average of 5.5 out of 10). The engagement of the Sector was perceived to be better and was scored higher by Sector participants (average of 7.2 out of 10) than government (6.8 out of 10).

In hindsight, only 1 in 10 Sector organizations thought that it was realistic to assume that starting a dialogue with the "whole of government" was possible, while a quarter thought that it was realistic for the "whole of Sector". Government officials believed that it was more realistic to engage the "whole of government" in dialogue (average 3.6 out of 7) than it was to engage the "whole of Sector" (3.2 out of 7). Furthermore, 18% of Sector organizations thought it realistic that the values and principles committed to in the VSI would be practiced by the "whole of Sector," whereas 11% thought they would be practiced by the "whole of government". Notwithstanding the superior inclusion at the dialogue stage, government officials believed that the values and principles committed to in the VSI would be practiced by "the whole of government" (mean score of 3.1 out of 7) to a lesser extent than by 'the whole of the Sector' (mean score of 3.4 out of 7).

There were 23 federal government departments involved with the Joint Tables including SIDPD. Due to the Ottawa-centric composition of Federal government members of the Joint Tables (all but one government participant were from the Ottawa area), most of the meetings were held in the National Capital Region. This resulted in a large portion

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[12] The Voluntary Sector Initiative Process Evaluation, Final Report, April 2004.

of the travel time being placed on members from the Sector, which is a by-product of the "whole of Sector" design.

For the Sector, the relationships with provincial and territorial governments are in many respects more important than those with the federal government and the work of some of the Joint Tables touched directly on issues related to policies of provincial and territorial governments. However, as a federal program, the VSI was naturally more engaged with national organizations. The survey of voluntary sector organizations revealed that only 7% of organizations indicated that their relationship with the federal government promoted or facilitated a relationship with municipal, regional or provincial governments. Those interviewed for the case studies noted that one of the important impacts of the SIDPD projects was the engagement of Sector organizations, which went beyond national organizations to include provincial/territorial and local organizations.

The following are some reasons offered regarding the challenges surrounding the engagement of the whole Sector and the whole government:

- Diversity/size of the Sector was cited by 21% of Sector organizations as a key challenge of the VSI (i.e., the Sector operates as a network rather than a hierarchy);

- Previous work noted the unrealistic expectation of forming a consensus amongst such a large group of organizations;

- The size and complexity of the voluntary sector and the broad nature of the VSI's objectives was one of the reasons offered by government officials as to why the VSI's accomplishments were likely to be unsustainable; and

- The hierarchical nature of the government facilitated the concept of the whole of government.

In the course of the case study on regulatory reform, the diversity of the Sector was mentioned by key informants as a challenge hindering communication with the large and diverse voluntary sector. The Sector is composed of many very small charities, often with a high turnover of staff, and sometimes a work force of volunteers. Penetration of communications is difficult: government agencies are challenged to ensure that the channels of communication remain open so new and changing regulations can be sent to voluntary organization contacts, particularly those who are new to the organization or the Sector.

The voluntary sector is a diverse group of organizations representing a vast array of activities (e.g., social services, the environment, recreation, etc.), sizes and organizational structures. The Sector's diversity (in terms of interests, concerns, capacity etc.) has repeatedly emerged in the various reports covered in the VSI evaluation as a challenge in engaging the whole Sector. As the Sector itself has difficulty speaking with one voice, it is not surprising that the federal government was unable to successfully engage the Sector as a whole with the VSI.

3.4.4 Co-ordination/Coherence of Government and VS Interaction

There are indications, across several sources, of co-ordination both within the government and the Sector as well as coherence in the interactions between the two. Almost half of government officials believed that the VSI resulted in an improvement in relationships within government and more than 60% of those interviewed from the Sector believed that the opportunities for collaboration and joint activities within the Sector had improved.

In the survey of government officials, half of respondents agreed with the statement that there had been growth in the networking/horizontal relationships within government *as a result of* VSI activities; 22 of 51 respondents observed an improvement in the way their department does business with the voluntary sector.

The Sector had success in developing coordination and coherence within itself. A full 61% of organizations (that were aware of the VSI and had some involvement with the federal government) reported an improvement in "Opportunities for collaboration and joint activities". High rates of improvement were also reported for the following areas of intersectoral relations;

- Open and transparent interaction (60%);

- Mutual trust, respect and credibility (58%);

- Sharing of information (58%);

- Inclusiveness (54%);

- Coordination and planning (48%);

- Reasonable expectations and reciprocity (35%); and

- Negotiations and dispute resolution (28%).

The VSI process evaluation (2004) explored a number of areas in which the design of the VSI contributed to a lack of co-ordination/coherence between and among the government and the Sector. The two Secretariats appear to have worked closely together at the senior level, among the Executive Directors, but less effectively at the working level where there was some friction over responsibilities and styles. This was exacerbated by the high turnover of staff at the VSTF. The International Year of Volunteers (IYV) evaluation also found that high staff turnover impeded the success of that initiative. Accountability emerged as another challenge of the VSI, more specifically that no formal accountability framework was employed. This was one area in which the hierarchical structure of the government came up against the horizontal nature of the Sector.

The survey of government officials reported several issues that were thought to hinder co-ordination between the government and the Sector. These included; the lack of involvement of the Sector in the mandate setting for some joint tables; the limited sampling

used in the VSI not adequately representing the Sector; and that the VS organizations involved were not "speaking with one voice".

At the time of the VSI process evaluation, participants felt that neither the coordination of the Joint Tables, nor the government departments involved, had met with success. The intra-VSI Co-ordination was given a score of 4.8 out of 10 by government and 5.6 by the voluntary sector respondents. The coordination of government departments was ranked 4.8 out of 10 by government and 4.2 by the voluntary sector.

The final report on the SIDPD projects (*Summary of Evidence of Project Impacts on Policy Capacity*, 2007), which evaluated 15 individual projects, reported a general increase in networking (although details as to the nature of the networks were limited) and new mechanisms to support co-ordination. The Leadership Advisory Circle, established by one of the SIDPD projects, was found to be an effective networking forum. Of the 15 projects included in the report, 10 reported that the participants felt that the projects had resulted in opportunities for networking/meeting new people and increased co-ordination. Examples offered of this co-ordination included: joint processes that project participants felt should be continued (e.g., joint committees); developmental work on the Building Collaboration Model (although this model was considered to require further developmental work); and the development of coalitions.

3.5 Mutual Understanding and Development of Government and VSI structures/vehicles/ roles/responsibilities

Evidence of mutual understanding and development of structures, vehicles, roles and responsibilities on behalf of the Sector and the government is mixed. Overall, government officials rank themselves rather poorly on their joint administration of horizontal issues pertaining to the VSI. The perception among those in the Sector was slightly more positive, with almost a quarter of organizations seeing an improvement in the mutual trust, respect and credibility in their relationship with the federal government; a few less saw an improvement in the clarity of roles and responsibilities. There was also evidence of some positive impacts from several of the SIDPD projects.

Early in the evaluation process it was perceived by some participants that certain design aspects were impeding the development of mutual understanding and joint mechanisms. This was evident in the areas of resource administration, overall structural design, lack of coordination between VSI components, and accountability. When asked to rate the extent to which there existed a shared understanding of the mandate, on average Sector participants gave it a score of 5.9 (out of 10) and government respondents a 5.3. Notwithstanding this seeming shortfall in the development of the structures within the VSI, these same participants rated the top successes of the VSI (at the time of the process evaluation 2004) as; the development of mutual understanding and trust between the government of Canada and the voluntary sector, and the commitment of participants on both sides to the process.

On a more positive note, it was found in the VSI Process Evaluation that the opinion of most of those involved with the Joint Tables (79%) was that there had been clarity in the communication of their *roles*, the exception being the Assistant Deputy Ministers (ADMs), where there was some ambiguity as to their authority in terms of getting the *Accord Between the Government of Canada and the Voluntary Sector* and its associated *Code of Good Practice on Funding,* and *Policy Dialogue* approved by the government. The Joint Tables were bright spots; they were widely seen to have facilitated "frank and open discussions and helped to build mutual understanding".

There is also evidence of positive and sustained impacts from other SIDPD projects. The training materials continue to be used; the research and data produced by the VSI are being used to understand the contribution of the voluntary health sector; and a list of all Sector partners that the department has worked with has been compiled. All of these resources help to increase the understanding and awareness of the links between government and the Sector. Indeed, a deeper understanding of the operating environment, mandate, objectives and limitations of each sector by the other has been a product of increased contact and collaboration between the Sector and the federal government.

When federal government officials were asked to evaluate the development of the lessons learned and information sharing, 30 out of 52 respondents thought this had been done somewhat or very well. The implementation of systems to assess performance measurement was seen to have been handled poorly and only 15 out of 52 respondents thought this had been handled somewhat or very well.

When asked about improvements in the relationship between the Sector and the government over the VSI period, those surveyed had seen an improvement in: clarity of roles and responsibilities (18%), and alignment of activities, objectives and overall mission (16%). Few of those in the voluntary sector that were interviewed agreed that structures and mechanisms had been put in place over the five years to build momentum for sustainable change. Almost one-half of organizations were unsure or could not clearly identify any sustainable change and another one-in-five indicated that no positive, sustainable changes had occurred.

In roughly equal measure from government and voluntary sector participants, the structural design of the VSI was noted as "laborious and cumbersome;" and "too complex, too much machinery".

Several government officials indicated that the correction of initial expectations was a challenge for some members of the voluntary sector. Government officials did, however, see many improvements in their network management skills, specifically in terms of the mutuality of information (e.g., information exchange, respect, goals).

The role of the Sector in delivering federal government programs is another area of particular interest. An example offered from the survey of government officials of the Accord's success included the statement that the *Accord* had resulted in more efficient program or project delivery in areas where the voluntary sector is active. Among government officials interviewed, only 13 (out of 51) agreed that the VSI had resulted in improved communication between government and voluntary sector officials in the operation of government programs

and services. Furthermore, only 8 (out of 47) reported an increase in the use of public funds in the voluntary sector for programs and service delivery.

Among those interviewed in the Sector, one-quarter believe that the role of the Sector in assisting the federal government with the development and delivery of their programs and services increased over the VSI period, offset by 16% that believed their role had decreased. Those who saw a decrease cited lack of communication between government and the Sector as the most common reason (44%), followed by lack of core funding available (29%), and fewer volunteers (22%). Those who believed there had been an increase in the role and contribution of the Sector, cited cuts to social programs that necessitated the involvement of the Sector as the primary cause (39%). Also mentioned was the government's recognition of the necessity of input from the Sector (35%) followed (distantly) by the strengthened unity and capacity of the Sector (11%).

One side benefit of the joint processes and increased openness between the Sector and the regulator was an opportunity to dispel widely-held myths in the Sector about deregistration (i.e., that CRA was deregistering hundreds of organizations) due to non-compliance or participation in advocacy, when in fact most were deregistered due to failure to complete and return their T3010A forms.

3.6 Access/Influence of Government and VS reps to Decision-Makers

There was some frustration expressed by Sector participants[13] regarding the lack of access and influence that they had with senior officials in the government. Some Sector participants noted that the most important thing that they learned was the power of certain departments and their exclusive authority to make or recommend changes to the *Income Tax Act*.

It was also felt that there was limited contact with Ministers and the political process once the VSI began. Several participants felt that the ADM Executive Committee was not engaged as fully as it might have been and that it did not grapple with the tough issues of the VSI. It was observed that ADMs did not attend the Committee meetings with great regularity. It was noted repeatedly in interviews with public servants that a major shortcoming of the VSI was its failure to effectively engage and create champions at the Deputy Minister (DM) level. However, there was evidence of support for the IYV from a wide range of departments, as evidenced by the letters sent from their Deputy Ministers.

The SIDPD evaluation (2003) reported that the majority of respondents in Round 1 indicated that there had been limited evidence of real change at senior levels concerning voluntary organization engagement. It went on to note that the preliminary evidence on the Round 2 projects indicate more engagement was occurring.

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[13] At the time of the VSI Process Evaluation in April 2004.

The survey of voluntary sector organizations revealed very little net change in the ability of those in the government to cultivate and manage networking with the Sector (42% stayed the same, 19% improved and 16% deteriorated). Only 13% of organizations noted an improvement in their access to senior decision makers and leaders in government over the course of the VSI. Among organizations that had a greater engagement with the federal government, 34% said that their access to senior decision makers and leaders in other voluntary sector organizations had improved over the course of the VSI. Despite a lack of progress in this area, only 5% of respondents cited a "lack of access to appropriate/senior government policy makers" as the main barrier for the voluntary sector to be able to contribute fully to the public policy process.

Approximately one-third of government officials interviewed noted that the VSI had improved the communication that existed between government and Sector officials, in the areas of both policy/program initiatives and the operation of government programs and services.

In the SIDPD final report (Summary of Evidence of Project Impacts on Policy Capacity), it was found that about half of the 15 projects assessed provided evidence of increased access of government and voluntary sector representatives to the other sector's leadership/decision-makers. One project offers as specific evidence the fact that project co-ordinators met with government officials. Yet less than one-third reported an increase in the influence that they had over the other's decision-maker as a result of the SIDPD project.

3.7 Demonstration of Collaboration and Sustainable Practices

At the time of the survey of voluntary organizations, more than half of those with some involvement with government reported having collaborated with others in the voluntary sector, through formal and/or informal networks. For organizations most involved with government, the most important impacts of collaboration are seen to be; access to information and networking (29%); sharing resources for cost-effectiveness (22%); and increasing the reach of services provided to the community (21%).

In terms of sustaining the collaborations and relationships that have occurred among organizations in the Sector, participants see access to increased/continued support as the most important determinants in ensuring sustainable results.

In the course of the government officials' survey, federal government officials were asked about the VSI impact on government-Sector relations - almost half (22/51) thought that there had been a growth of networking/horizontal relationships (e.g., joint co-ordination, collaboration, consultation, etc.).

Other involved individuals noted that the VSI had very positive impacts on networking and collaboration within the Sector. Different organizations were coming together for the first time, and academics and government were working alongside nonprofits. This is described as "exciting," and is believed to have resulted in sustained partnerships.

In the case of SIDPD, collaboration was one of the principal drivers of these projects. The Sector was contracted to be involved in the policy development process. We address this dimension along with other parts of SIDPD in Section 4.8.1 below.

4. Voluntary Sector Initiative (VSI) Impacts on Sector Capacity - Evaluation Findings

Sector capacity, one of the objectives of the VSI, is an area where impacts are weak and difficult to attribute to the Initiative. The VSI identified major areas for capacity improvement and addressed them all in various ways:

- knowledge;

- human resource - both employees and volunteers;

- financial;

- awareness and understanding of the Sector and its relationships;

- information technology and management (IT/IM); and

- policy

In the area of human resources, slight improvements were noted by those in the Sector but few credited the VSI with being the cause of the change. The Sector also saw widespread improvements in IT/IM capacity. However, reported use of the VSI tools was low, with low attribution to the VSI.

4.1 Development of Sector-oriented Information and Knowledge; and Increased Public Education and Government Understanding of the Role of the Sector

As early as the SIDPD evaluation (2003), both government and sector participants had seen a significant shift in the level of understanding of the policy priorities and processes of each other. At the time of the survey of voluntary organizations, only one in five believed that the government's recognition of the value and contribution of the Sector and it reliance on the Sector to achieve objectives had increased over the course of the VSI.

The inclusion of the Satellite Account in Canada's System of National Accounts is the most prominent output of the VSI for Sector-oriented knowledge and increased public and government understanding of the Sector. Statistics Canada is among the first statistical agencies in the world to identify and illuminate the important role that the voluntary sector plays via its separate Account in the National Accounts. The development of the Satellite Account was funded through the VSI to ensure the permanent availability of official economic statistics on this third pillar of Canadian society. Research projects that came out of the VSI are seen to be one of the great successes and are attributed with increased cohesion within the Sector. The research that has been done and is now available on the

Sector (e.g., the NSNVO, Satellite Account, the CSGVP, and Canada's participation in the John Hopkins Comparative Nonprofit Sector Project) was mentioned in the focus group discussions as a significant accomplishment of the VSI.

The perception among government participants was more positive; more than half of the government officials interviewed agreed that there had been an increase in knowledge of the voluntary sector and its roles, programs and services among officials in their department as a *result of* the VSI. Of those involved with SIDPD projects more than half (7/11) believed that there had been increased awareness within their department of voluntary organizations.

A few (12%) Sector organizations listed "increasing reach/service provided to the community" as an impact of their collaborations with others within the Sector.

The SIDPD final report (Summary of Evidence of Project Impacts on Policy Capacity) showed that a majority of the projects assessed had produced sector-oriented knowledge products (such as resource material and training tools). In about one-third of the projects, there was evidence to suggest that the project increased public awareness; however, there was generally no evidence to suggest that there had been an increase in government understanding of the role of the Sector.

4.2   Capacity to Attract Paid Human Resources

The Sector's capacity to attract paid human resources is a function of several factors including: the ability to offer competitive wages; increased awareness of the important role the Sector has in Canadian society; and the ability to communicate the unique opportunities available to those who join its ranks. Due to this combination of factors, evidence of the success of this objective is sought via wage rate and employment data as well as awareness levels and communication.

While an increase in employment for any given sector/industry does not represent the quality/capacity of organizations in that sector, it is a good place to start when assessing the ability of the Sector to attract paid human resources. Although different data sources report different employment figures that cannot be fully reconciled, a modest upward trend is evident. The NSNVO explored changes in employment levels, reporting a stable level between 2000 and 2003. The Charity information return file (T3010 micro data) shows modest growth rates in full-time employment for charities, in line with economy-wide figures, and extremely strong growth in part-time employment levels. When various wage rates are applied to the Satellite Account estimate of the total wage bill for the Sector, modest growth rates in total employment are again implied.

While those employed in the voluntary sector may be more likely to be driven by altruism, wages and salaries are still a good indicator of ability to attract personnel with knowledge and appropriate skill sets. There has been an average increase in the total wage bill,[14] as reported in the Satellite Account, of 6.1% in the total sector and 6.9% in

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[14] Includes wages, salaries and supplementary labour income, and is not adjusted for inflation (i.e. nominal dollars).

the Core between 1997 and 2004. This implies that, as the total wage bill is increasing at a higher rate than employment levels, wage rates have increased. The wage bill, which is the main component of GDP for the Core Sector, was up slightly during the VSI period with an average growth rate of 7% compared with 5% in the pre-VSI period.

Changes in human capacity, including improvements to training and leadership, are difficult to quantify. Evidence of increased human resources capacity cannot be found in employment and wage rate data; rather, anecdotal and qualitative evidence must be used.

Sector respondents saw improvements in the area of human resources over the course of the VSI; 41% of organizations improved their human resource capacity between 2000 and 2005; 45% saw an improvement in the skills of managers and staff; and 39% of organizations reported that their use of training, skills development and accreditation for staff and volunteers had improved. However, only 8% of those who had seen an improvement in the HR capacity of their organizations thought the VSI was, to a great extent, the cause of the change.

While human capacity was seen as an area of strength by many in the Sector, this view was not held by those in the government. Only 2 of 46 indicated that the VSI had resulted in a "large improvement" in the networks of voluntary sector managers. Again, the largest number of responses indicated a "moderate" (10/47) or "small" (9/47) improvement Furthermore, only 8 out of 46 respondents thought that any improvements made by the VSI in the areas of human resources planning and management could be sustained.

Examples provided included: bringing people together enabled the discussion of issues and knowledge sharing; increased awareness helped to break down barriers between subgroups of the Sector and build networks; improved understanding of the challenges and role of the voluntary sector; and VSI offered substantial funding for product development within the voluntary sector.

Among Sector organizations that believed there had been an improvement in the Sector-government relationship, 7% specifically mentioned improvements for their staff in their dealings with the federal government as a result of better communication and increased opportunities for contact, better information sharing and clarity in guidelines.

The HR Council is an *output* of the VSI, and in addition to addressing the attraction and retention of staff they are also involved in capacity issues. The HR Council conducted three pilot projects to stimulate voluntary sector leadership. One project in Calgary used a facilitated peer learning circle to strengthen job performance and enhance job satisfaction of Executive Directors. In British Columbia, the pilot project was entitled "Learning to Lead: Developing a Learning Culture within the Voluntary Sector". The third pilot was a pan-Canadian Leadership School offered in three areas (NWT, Ontario, and Nova Scotia).

The HR Council was mentioned by several case-study respondents as providing a formalized structure within which the federal government and Sector can interact on all human resource matters. The HR Council is seen as one of the most important outputs of the Capacity Joint Table (CJT), without which interview respondents feel that there would be no sustained impacts of the work undertaken. Among voluntary organizations surveyed

in 2007, 9% had used the tools and resources of the HR Council, and most who had, indicated that there had been a positive impact (13% highly positive and 61% some positive impact).

The National Learning Initiative (NLI) produced three documents, none of which contain information regarding the extent/capacity of their use. Reported use of the tools and resources of the NLI by voluntary organizations was a low[15] 4%, but those who had used them reported overwhelming positive impacts (15% "highly positive" and 67% "some positive impact"). Familiarity with projects such as the NLI and the HR Council among government officials was also very low (3 were "very familiar", 13 were "somewhat familiar" out of 48). Of those familiar with these projects, only 2 thought they were very useful and 6 thought they were somewhat useful. With the more general CJT objective of building sector capacity, there were slightly higher levels of familiarity, 6 were very familiar and 18 were somewhat familiar (out of 48).

A key deliverable of the Human Resources in the Voluntary Sector (HRVS) was a resource-rich website[16] housing practical, free, human resource management tools for nonprofit organizations in Canada, of which there continues to be widespread use (i.e., an average of 57,000 web sessions a month with an average session length of 18 minutes), and use has been increasing[17].

In an attempt to verify the above-mentioned reports on the use of the tools and resources created by the Council and the Initiatives, respondents from the Sector were asked a question regarding general improvements in the area of HR. Thirty-nine percent (39%) saw an improvement in their organization's use of training, skills development and accreditation for staff and volunteers, during 2000-05. Thirty-five per cent of organizations indicated an improved ability to recruit and retain staff. These changes were not attributed to the VSI.

4.3   Capacity to Attract, Manage and Retain Volunteers

A necessary condition for improving the Sector's capacity to attract volunteers is awareness; both of the Sector generally and also of the important contribution that volunteers make to Canadian society. The International Year of Volunteers (IYV) was funded and implemented as part of the VSI. Launched on December 5, 2000, the IYV aimed at increasing awareness and knowledge in Canada. Some of the outputs of the IYV included: a website (where Canadians could "pledge" to volunteer), a toll-free number, and a variety of promotional material. Throughout the IYV, the website maintained an average of over 11,000 hits per month, with more than 400,000 volunteer hours pledged. The toll-free number administered by Volunteer Canada took over 15,000 requests, concerns, and orders for promotional materials. 60,000 organizations received the promotional materials developed by the IYV.

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[15] It was noted in the Survey of Voluntary Sector Organizations Final Report that there was no description of these tools and resources, thus reported use might be lower than actual use due to a lack of awareness/identification.

[16] http://www.hrcouncil.ca

[17] Total visit sessions in 2005/06 - 255,872, and in 2006/07 - 441,087.

The high use of the "outputs" of the IYV implies that it was successful in raising awareness among Canadians. However, while key informants indicated that the materials were of high quality, there is no information on the extent, or for what purpose, the materials were used by those in the Sector. Polls were conducted at the beginning and end of the IYV to ascertain whether or not the level of familiarity with the Sector had improved. There was an increase of 10% in those who were familiar (very or somewhat) with the term "voluntary sector" during the time of the IYV (from 37% to 47%).

While the IYV initiative was focused on a single year (2001), the National Volunteerism Initiative (NVI) Joint Table had a mandate to make recommendations for bringing about long-term effects on Canadian society. The Canada Volunteerism Initiative (CVI) is the final result of the consultations and research undertaken by the NVI-JT. The impacts of the CVI have been evaluated separately in the Summative Evaluation of the Community Participation Program (CPP).

The experience of those in the Sector is mixed: thirty-five per cent of organizations indicated that their ability to recruit and retain staff (both paid and volunteer[18]) improved over the 2000-05 period (19% experienced deterioration). However, only 8% of those who had seen an improvement in the HR capacity of their organizations thought the VSI was, to a great extent, the cause of the change.

Government officials had little awareness of the activities/impacts of the NVI Joint Table. Among those that were aware, the impression of increased understanding of the issues faced by the Sector, dispelled myths about volunteerism, and secured funding for the creation of a national initiative (CVI) were offered as areas in which the NVI Joint Table had been successful.

The most direct indicator of this outcome comes from looking at the actual number of volunteers active in the Sector and how this number has been changing over time. Due to concerns of data continuity surrounding the 2004 CSGVP,[19] the volunteer component of the Satellite Account was not updated. It was concluded that, while the magnitude of the trend in volunteer levels could not be trusted, the trend was upward.[20] The General Social Survey reports that the percentage of the population who participated in some form of volunteer work had fallen from 18% in 1998 to 15% in 2005. It also shows an increase in the hours per day spent by volunteers, from 1.9 hrs per day in 1998 up to 2.4 hrs per day in 2005. It seems that those who do volunteer are donating more of their time.

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[18] Within the structure of the VSI Joint table framework, paid labour (i.e. employees) was separate from unpaid labour (i.e., volunteers). While these are clearly two different issues, and they are associated with different joint tables, in the survey of voluntary organizations the questions were posed on the two together (i.e. 'both paid and volunteer').

[19] See *Appendix C: Special note on data quality* of the Statistics Canada Catalogue no. 71-542-XIE "Highlights from the 2004 Canada Survey of Giving, Volunteering and Participating".

[20] According to the GSS, the number of individuals who volunteer fell by 8.4% between 1998 and 2005. The CSGVP shows a 12.7% fall in the number of volunteers between 1997 and 2000 and a jump of almost 66% between 2000 and 2004. The increase in the CSGVP is thought to reflect double-counting of a person volunteering for different organizations. A new CSGVP was collected in 2007 and should be reported in 2009. Perhaps greater clarity will emerge.

The NVI Joint Table was concerned with the effective involvement of volunteers. More than half of government officials surveyed were unable to rate the effectiveness of the NVI Joint Table. Those that were familiar with it generally agreed that the NVI Joint Table was effective (12/19). Some successes include:

- Greatly increased communication and the amount of information available;

- A better understanding of issues faced by the voluntary sector and dispelled myths about volunteerism; and

- It secured funding for the creation of a national volunteering initiative (i.e., CVI[21]).

As illustrated in the Satellite Account estimate of the value of unpaid work, volunteers play an integral role in the delivery of services by the Sector. Among Sector organizations that noted an improvement in the overall strength and cohesiveness of the Sector, 7% attributed this change to an increase in volunteerism.

4.4 Changes in Access and Use of Existing Funding Mechanisms

There are two separate issues surrounding funding for the Sector; first the level of funding (i.e., the amount of funds received), and secondly the environment for receiving the funds (i.e., access). While there has been an upward trend in the amount of funds from certain sources, the report on the survey of voluntary sector organizations noted that the funding environment is an area where there was relatively little positive impact.

The primary source of funds for organizations in the Sector is the sale of goods and services. There appears to be a strong upward trend in the amount of revenue received for the sale of goods and services by organizations operating within the Core sector. The second most important source of funds for the Sector is transfers from governments. Historically, provincial transfers have been the most important. While this continues to hold, federal transfers have been growing more rapidly than provincial transfers more recently.

Sector organizations reported varying perceptions of the changes that occurred in their funding relationships with the federal government between 2000 and 2005;

- Transparency of funding decisions (20% improved, 10% deteriorated);

- Clarity of roles and responsibilities regarding funding decisions (16% improved, 12% deteriorated); and

- Timeliness of funding decisions and flow of funds (16% improved, 25% deteriorated).

Among Sector respondents who believed there had been an improvement in the relationship between the Sector and the government, 4% specifically mentioned improved funding as the reason for this change. Only 12% experienced an increase in funding

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[21] Funding for the Canadian Volunteering Initiative (CVI) was terminated abruptly on September 25, 2006.

(different programs or overall) during this period, although it was almost wholly offset by the 10% who reported that they had lost funding.

Government officials were asked whether, in their respective departments, the use of public funds in the voluntary sector had increased, decreased or remained the same in four different areas, as a result of the VSI. The areas in which the largest changes in the use of funds were seen was in policy dialogue (15/29 thought it had increased), and research and innovation (11/29 thought it had increased).

Innovative sources of funding were developed through one of the SIDPD projects, which reports ongoing support for a voluntary collective of organizations in the sports community. The sports community continues to contribute a third of the resources (e.g., financial, human and in-kind) needed to maintain this new collective.

The perception among Sector organizations of the changes that occurred in their funding capacities are as follows;

- Overall funding situation of your organization (31% improved, 23% deteriorated); and

- Stability of your organization's funding to enable planning and efficient operations (19% improved, 24% said it deteriorated).

Of the 15 SIDPD projects that submitted a final report, one project reported an increase in resources. Interviewees involved with this SIDPD project noted that they were able to create an avenue for funding enabling them to employ one or two people full-time in a policy capacity.

One project that received seed funding from SIDPD was able to secure ongoing funding. The organization receives some funding from its core national health organization supporters, but has also been highly successful in securing provincial and federal grants to pursue its work.

4.5   Changes in the Way the Sector Organizes and Views Itself

The diversity of the Sector has been cited as one of the obstacles to engagement of the whole sector. There is evidence, however, that the VSI changed the way the Sector viewed itself by unifying (to some extent) the voice with which the Sector speaks. Evidence of this was found in the survey of voluntary sector organizations, where one-in-five cited the creation of a common and stronger voice for the Sector as one of the main strengths of the VSI.

Satellite Account of Nonprofit Institutions and Volunteering in Statistics Canada System of National accounts provides some insight into the way in which the Sector is organized. On the whole, the composition (in terms of GDP) of the core nonprofit sector by field of activity remained stable between 1997 and 2004.

The VSI process evaluation reported that the initiative created momentum and capacity for several new cross-cutting, regionally-based networks. Provincial-level coalitions subsequently joined with some others in the Federation of Voluntary Sector Networks, and those to be created by the CVI and the Reference Groups. One perception was that the voluntary sector has emerged as a stronger entity, with a more cohesive identity and, overall greater legitimacy as a sector in Canada. In corroboration, the survey of voluntary sector organizations showed that 18% credited the VSI with creating a common and stronger voice for the Sector. Furthermore, 17% thought that the VSI has helped to create networks within the Sector.

Participants of one SIDPD project noted that SIDPD funding had enabled sports, which has traditionally been marginal in the voluntary sector, to become more connected. Respondents interviewed in the course of the HC/PHAC case study reported that the consultation process that took place with the SIDPD projects extended the scope of involvement of organizations. While the department noted the involvement of provincial, territorial, and local organizations as well, there is no evidence that this was widespread among SIDPD projects.

4.6 Knowledge and Understanding of Sector-government Issues

Strong working relationships must be built through mutual understandings. The Satellite Account for Nonprofit Institutions and Volunteering has helped to increase the understanding of issues faced by the Sector for those in government as well as those in the Sector. Government officials cited the existence of these statistics as a reason to believe that the accomplishments of the VSI are sustainable.

There was no net change (15% improvement and 16% deterioration) among Sector organizations' perceptions of reasonable expectations and reciprocity in the Sector-government relationship. There was little improvement in the clarity of roles and responsibilities (18% thought there had been an improvement while 15% thought there had been deterioration). Among those who felt there had been an improvement, 20% believed it was due to the government's recognition of the value and need for the Sector. A small percentage of those in the Sector (16%) saw the improvement in the government's focus on the Sector as a key strength of the VSI.

There is limited evidence from SIDPD projects of any impact on increasing the mutual understanding of the government and voluntary sector. In the SIDPD project's final report, two of the SIDPD projects provided evidence of increased understanding. One project reported that its two committees were an effective means of sharing information; participants said the committees raised sector and government-related issues and helped raise certain issues with senior political officials. Another project conducted pre- and post-project questionnaires which showed an increase in understanding of mechanisms to overcome challenges encountered in the policy-development process.

According to key informants interviewed for the HC/PHAC case study, a product of increased contact and collaboration between the federal government and the voluntary sector, which occurred due to the SIDPD projects, is a deeper understanding of the operating environment, mandate, objectives and limitations of each sector by the other. Key informants involved with the regulatory reform case study noted a side benefit to the Sector-government relationship: the joint process helped to dispel Sector organizations' misconceptions about deregistration of charities.

4.7 Information Technology Capacity

Of all capacity areas, Sector organizations reported the largest improvements over the period in the area of information technology (IT). However, while organizations with awareness of the VSI were more likely to report improvements in this area, the VSI is perceived to have had little to do with the improvements. Organizations were asked if they had seen improvements in each of the following areas:

- Computer Skills of staff/volunteers (69% agreed);

- Information Technology Infrastructure (68%);

- Strategic use of technology (68%);

- Overall IT capacity (63%); and

- Availability of IT training and skills development for voluntary sector staff and volunteers (35%).

In an effort to establish attribution, organizations were then asked about their use of VSI-sponsored IT tools and resources. The following are the rates of use followed by the extent of the impact;

- 20% had used the Canadian Directory to Foundations and Corporations, of which 8% said that it had a high impact on their organizations, 55% indicated a medium impact, and 35% a low impact;

- 12% had used the Voluntary Gateway Portal, of which 8% noted a high impact, 51% said it had a medium impact, and 29% a low impact;

- 9% had used the VSI website, of which 10% indicated a high impact, 51% a medium impact, and 29% a low impact; and

- 9% had used the Tools and resources to assess technology needs, of which 16% said they had a high impact, 51% a medium impact, and 29% indicated a low impact.

While attribution of changes in capacity in IT is low (6% to a great extent, 23% little extent, and 61% some extent), it was noted that organizations with greater awareness of the VSI and use of some of its elements are more likely to report an overall improvement in IT capacity.

Government officials were asked whether or not the changes in IT capacity resulted from the VSI (the IM/IT program). There was a very low response rate for this section of the survey; over half of the respondents indicated they did not know or the statement did not apply to them (this is consistent with the low awareness/use of the IM/IT tools on the Sector side). Those who were able to answer noted the following outcomes;

- Voluntary organizations had made good use of IM/IT resources to improve efficiency and/or service delivery (3/22 agreed);

- Boards of voluntary organizations better understand the need for IM/IT and are prepared to invest resources (5/22 agreed); and

- Voluntary organizations are more aware of the benefits of the effective use of technology (i.e., National Technology Awareness Campaign) (8/22 agreed).

There were similar low rates of agreement when Sector organizations were asked about the improvement in their access to:

- The Voluntary Sector portal (8/22 agreed);

- Expert advice on IM/IT (5/22 agreed);

- Training and technical support at reasonable rates (2/18 agreed); and

- Appropriate hardware and software (1/18 agreed).

4.8 Policy Development

Enhancing the capacity of the Voluntary Sector to participate in the development of policy was one of the objectives of the VSI and the CJT. Two major activities were undertaken. The development of an *Accord between the Government of Canada and the Voluntary Sector* was completed in December 2001. In October 2002, the *Code of Good Practice on Policy Dialogue* and *The Code of Good Practice on Funding* were released (A summary of the evaluation findings has been provided in Section 3.1).

4.8.1 Sectoral Involvement in Departmental Policy Development (SIDPD)

The second major activity was the *Sectoral Involvement in Departmental Policy Development* or SIDPD. This major activity accounted for 30 per cent of the total VSI Budget.

The two main objectives of SIDPD were:

- To improve the opportunities for input within federal departments by voluntary sector organizations, and

- To strengthen the capacity within the Sector to contribute to policy development.

A separate evaluation[22] was conducted for the SIDPD portion of the VSI and the results were reported in March 2004.

4.8.2 Increased Understanding of Effective Policy Development

There were a total of 67 projects funded through SIDPD; 15 were evaluated in the report *SIDPD: Summary of Evidence of Project Impacts on Policy Capacity*, of which a select few were the subject of case studies. One project[23] that has sparked sustainable change created a National umbrella alliance from seed funding provided by SIDPD. This alliance continues as a vibrant organization five years later with more than 60 member organizations, and provides a mechanism for member organizations to collaborate. Another SIDPD project noted collaboration in their meeting and subsequent effect on policy. In another project, an example of collaboration is offered in the project's steering committee meeting with the Climate Change Secretariat to discuss modelling of the economic impact of meeting the Kyoto targets.

At the time of the SIDPD evaluation (2004), two projects were offered as examples of successful engagement of the Sector by the government partner developments; the first project involved the immigrant settlement sector, the second project addressed housing for veterans and seniors.

The case studies provide evidence of successful collaborations. One SIDPD project was a collaborative effort between the government and grassroots organizations, and the recommendations are described as a "road map" for the development of collaborative models.

The creation of an Interdepartmental Committee is another example of collaboration across government departments, the result of which has been a call for the re-creation of an Interdepartmental Committee to consider the recommendations of the Citizens for Mental Health SIDPD project for a national strategy on mental health and mental illness.

In the past, some organizations had strong collaborative relationships; the VSI and SIDPD allowed for the development of new relationships and mechanisms. The OVS,[24] within the PHAC, continues to sustain and promote these opportunities for collaborations within the Sector and between the Sector and PHAC. This illustrates one of the benefits of institutionalization, in allowing the quick adoption of new programs, like SIDPD.

Only a few departments collaborated to avoid duplicate funding of areas for SIDPD projects. Where this collaboration was absent, there was overlap in project objectives. There were projects that involved participants who had not previously worked together and this forging of new relationships was seen as a great success of SIDPD. Indeed, the

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[22] An Evaluation of the Sectoral Involvement in Departmental Policy Development (SIDPD), Final Evaluation Report, March 2004.

[23] Integrated Chronic Disease Prevention System, funded through Health Canada/Public Health Agency of Canada.

[24] The Office for the Voluntary Sector was established in April 2002. In September 2004 the office became part of PHAC.

strengthening of relationships within the Sector due to the collaborative nature of SIDPD was the main contributor to increased capacity for policy development.

Despite the preceding evidence of collaborations which came about due to SIDPD, a number of participants interviewed for the SIDPD evaluation had reservations concerning the sustainability of their new-found relationships with their federal partners, and questioned the political commitment to furthering the VSI ideals for true collaborative partnering which emerged from the SIDPD projects.

The majority of funding in Round 1 of SIDPD went to organizations with pre-existing funding relationships with federal departments, to the exclusion of organizations that were more closely linked with provincial and community-level governments. Round 1 project funding was distributed among nine federal departments and agencies, with a single project at Health Canada dominating the funding. The approval process for Round 2 attempted to address the shortfall in total engagement, and achieved a broader representation of organizations (sixteen federal departments).

Of the 67 projects funded through SIDPD, 8 were covered in the case studies. Evidence from these case studies should not be generalized; rather it is presented as anecdotal evidence. The survey of voluntary sector organizations reported that few organizations (14%) contributed more to public policy at the federal level as a result of the VSI. There is no comprehensive assessment of the SIDPD projects since only 15 of them submitted final reports. There are examples of successful projects and projects that failed to achieve the intended impacts.

At the time of the SIDPD evaluation, not all Round 2 projects had been completed, thus the focus was on Round 1 projects. The findings were based on a document review (including the documentation for the 67 projects that had been funded through 26 federal departments), three focus groups (with both federal government representatives and project proponents), and 55 key informant interviews.[25]

These objectives were pursued by partnering federal departments with voluntary sector organizations in policy-related projects. The SIDPD evaluation found that program delivery had suffered from inadequate up-front planning and a lengthy and overcomplicated administrative process. There was also a shortfall in the amount of planning and design work that preceded SIDPD. The process surrounding the selection of projects was seen as too complicated, and there was a lack of clarity around issues of accountability between the VSTF in the PCO and the individual departments that administered the projects. It was found that those projects that considered differences in power and resources between collaborating parties were more successful. In the absence of streamlined funding formulas, common reporting formats, clearer lines of accountability, and dedicated resources, the ability to effectively manage and support a horizontal initiative was inhibited.

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[25] Drawn from three main groups of individuals: senior representatives of the voluntary sector and the federal government, many of whom have been involved in the management of the VSI and the delivery and review of SIDPD projects; public servants, including departmental representatives involved in the delivery of SIDPD; and representatives of the Voluntary Organizations who participated directly in projects.

One of the largest challenges to determining incremental impacts is establishing what would have happened in the absence of the program, commonly known as the "counterfactual".[26] Thus, when considering the impact of the SIDPD program on understandings of effective policy development, it is necessary to consider the policy-related projects that might have gone ahead regardless of the existence of SIDPD; i.e., did SIDPD funding "crowd out" other funding that would have occurred in the departments for policy-related work? The SIDPD program evaluation found that most departments involved with Round 1 projects had a pre-existing policy or mandate to work with voluntary sector organizations and to involve them in policy development. Round 1 Projects were focused on the SIDPD-involved department's immediate policy issues; Round 2 Projects were expanded to include a broader range of policy issues.

There was positive feedback from several government officials regarding the perceived impact that the SIDPD projects had on policy development. Survey participants mentioned their improved understandings of the limitations of the voluntary sector and the benefit of involving the Sector in policy and program development. This gave them insight into new ways to provide cost-effective services, and how to solicit more input in their decision-making processes. Furthermore, there was the perception among government officials that the voluntary sector had gained a better understanding of government procedures regarding policy and the bureaucratic challenges it faces.

At the time of the SIDPD process evaluation (2004), the lessons learned from the first round of projects had not been disseminated within the given departments or between departments. It was also noted that the various departments had not coordinated their interactions with the Sector. The process evaluation found that there was no inherent mechanism within the SIDPD design for sharing lessons learned from the projects undertaken by the various departments. However, the vast majority of respondents from voluntary organizations interviewed at the time of the SIDPD evaluation noted that the strengthening of horizontal relationships within the Sector contributed the most to developing policy capacity within their organizations.

The two main reasons given by those in the Sector who saw improvements in the Sector's overall strength and cohesion were: awareness/media attention/recognition of the Sector (29%), and communication/cooperation/information sharing (27%). Among those that had seen an improvement in cohesion, (24%) said the VSI was responsible for the improvement to a "great extent" and 52% to "some extent".

Among Sector organizations involved in public policy, very few (14%) contributed more to public policy at the federal level as a result of the VSI. Involvement varies with certain organizational characteristics, including: revenues exceeding $5 million; nonprofit vs. charity status; and being located outside of Quebec. Organizations with these characteristics had higher levels of involvement in federal policy. Of those organizations that saw an improvement in the Sector's policy development capacity, 10% attributed this to the Sector being better informed and more educated, and 5% felt this was due to an opportunity to be heard provided by the VSI.

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[26] Discussed by Burt Barnow at the Methodology Conference 2005.

The SIDPD program evaluation (2004) reported success in increasing the Sector's *ability* to contribute to policy. However, there were mixed results regarding the *opportunities* for the Sector to contribute (limited innovation within government was noted at the time of the report). There is a difference between "collaboration" and "consultation"; it was noted in the evaluation that many federal departments were simply consulting the Sector on policies that they had already developed.

As reported in the VSI and SIDPD evaluation reports a precondition for successful collaboration on policy work is a common understanding between partners of what constitutes policy. The SIDPD program was rolled out very quickly, within a few weeks of the funds being allocated. There is no evidence that Sector input was sought during the design phase. The definition of "policy" was very broad and set, without any consideration of Sector priorities or gaps in policy in federal government departments, although sector organizations were invited to propose policy areas for study in Round 2. There was also a misunderstanding of policy versus advocacy. The lack of a clear definition of policy development resulted in differing expectations between those in the government and the Sector.

4.8.3   Increased Capacity and Commitment to Undertake Effective Policy Development Together

Specific SIDPD projects provide positive examples of increased capacity and commitment in the area of policy development. However, awareness of policy-related tools is very low among Sector organizations; and among those who were involved with the VSI in some capacity, there has been little net change in most policy parameters.

The evidence of the effectiveness of the training tools used by the SIDPD projects is vague, and is available for only a very small sub-set of the total projects that were funded through SIDPD. Even for the few projects that self-evaluated, the measures of success are tenuous.

The SIDPD final report, which assessed 15 of 67 SIDPD projects (4 from Round 1 and 11 from Round 2), found that many projects included orientation and/or training sessions. However, there was limited concrete evidence that the sessions had contributed to an increased understanding of effective policy development, which was an objective of the VSI.

Overall, awareness among voluntary sector organizations of specific VSI tools available to improve voluntary organizations' policy capacities to contribute to policy was low (14%). Questions were posed to a subset of voluntary organizations that were involved in policy, of which 40% had seen an improvement in the capacity of their organization to effectively contribute to public policy development (slightly offset by the 8% who experienced deterioration).

Despite an improvement in capacity, there has not been much corresponding improvement in the Sector's perception of their influence on policy direction and decisions (31% improved; 17% deteriorated), nor in the engagement of the Sector in public policy overall (30% improved; 16% deteriorated). There were even weaker improvements in representation

and transparency; 23% saw an improvement in the range of views/constituencies represented in policy dialogue (offset by 14% that noted a deterioration), and 22% saw an improvement in the transparency of policy decisions made by the federal government.

Among those organizations that experienced an improvement in the engagement of the Sector in public policy, the most commonly cited reason (33%) was that the opportunity for input had increased; 27% stated that the government actively seeking input from the Sector was the reason. The top three reasons offered by Sector organizations as barriers to contributing fully to the public policy process were: lack of staff and time (24%); lack of funding resources (18%); and lack of know-how (15%).

More than half of the government officials interviewed were aware of SIDPD. Out of the 47 respondents the number who agreed with the following statements was:

- A new framework for making program instrument choices has been implemented by your department as a result of the VSI (3 agreed);

- As a result of the VSI, your department examined or changed its program instruments in recognition of new knowledge (13 agreed);

- The VSI resulted in the development of mutually acceptable accountability frameworks/arrangements accompanying the use of publicly-funded resources (9 agreed); and,

- There has been an increase in the number of individuals in your department who use policy guides (tool kits) (9 agreed).

Respondents were also asked if there had been an increase in Sector participation in the design of public policies and operational program objectives; of the 46 respondents to this question, 17 said that there had been, and 13 disagreed.

More specific policy-related questions were asked of government officials who had been directly involved with SIDPD. More than half indicated that there had been increased involvement of the voluntary sector in policy dialogue and development within their department (yes 6/11; no 4/11). The majority (6/11) thought that Sector capacity had been strengthened, and policy dialogue improved.

The SIDPD program evaluation (2004) included an analysis of the available final reports of Round 1 projects; 62 per cent of which indicated that, as a result of the project, their organization had experienced an increase in policy-development capacity. Close to one-third (29%) reported that they had influenced the policy process within their federal department. More than half indicated it was too early to tell.

Indeed, many voluntary sector focus group and interview participants noted there was an equivalent need for capacity development within the federal government, and there was a perceived requirement for SIDPD to address this need within both the government and voluntary sector. There was mixed evidence regarding whether or not the federal government saw an increase in its capacity to engage the Sector in policy development. The difference in departmental culture was offered as an explanation as to the level of engagement that the departments were willing to enter into with the Sector.

Participants in one project, interviewed during the case studies, noted increased trust within the community, between organizations, and with government. Other impacts identified as a result of the project include a new-found sense of cohesiveness within the sports community and the encouragement of information sharing with respect to policy and decision-making within the Sector. A national umbrella organization which was established out of one of the SIDPD projects has provided a coordination point for national disease organizations, as well as provincial/territorial alliances/Healthy Living groups, and grassroots organizations concerned with chronic disease or chronic disease risk factors.

Key informants for HC/PHAC case study felt that the VSI and SIDPD projects had increased the capacities of voluntary health organizations, particularly in the policy development area. There was general agreement that the Sector was "stronger" and "better equipped" to access the policy development process and to participate more effectively in future policy initiatives. One respondent believed the inclusion of the voluntary sector in policy making has become more systematic in government because of the VSI – there is a greater knowledge about who to bring into policy making and when (with organizations now being engaged earlier in the process than in the past).

The final report on SIDPD provided an assessment of 15 projects, and found that most projects had increased the organization's capacity to collaborate with the government on policy development. In the case of three of those projects, the project report provided evidence that the project went further and increased the capacity of the government and voluntary sectors to undertake policy development together. There was, however, very little evidence that the project increased the commitment of the government and voluntary sectors to collaborate on policy development.

4.8.4 Demonstration of Joint Policy Developed with SIDPD

When surveyed, slightly more than one-third (17 out of 46) of government officials agreed that there had been an increase in Sector participation in the design of public policies and operational program objectives. Government officials credited the SIDPD program with providing funding, kick-starting policy development and affecting existing policies related to health promotion, targets and programs. They also mentioned lasting benefits stemming from the development of a paper regarding mental health.

Some success stories for joint policy development identified at the time of the SIDPD (2004) evaluation include: Creating options aimed at reducing sexual exploitation; Nonprofit corporations' legislation; and Housing Issues for veterans and seniors.

Some senior government and voluntary sector people interviewed at the time of the SIDPD evaluation said that they saw some changes in government policy, processes including a new openness to dialogue and a willingness to work more collaboratively.

They attributed these positive attitudes to the work of the VSI in general and the rollout of the Accord and Codes.[27]

There was a perception, among those involved with one of the SIDPD projects, of a disengagement from joint participation on the part of the federal government. According to some interviewees, as the Sector's capacity to participate in public policy grew, the government appeared less interested in involving it in the decision-making process.

Only one of the fifteen SIDPD project reviews shows evidence of increased participation in policy design.

Design flaws in SIDPD resulted in a lack of dissemination of information about the projects. The program could have benefited from: a clear definition of policy development, clear lines of accountability, shorter and simpler delivery, and standardized reporting and evaluating methodology.[28]

While there is evidence of a positive impact on coordination and coherence from SIDPD projects, only 4% of those organizations involved with the VSI reported that the VSI (e.g., through SIDPD) was responsible to a great extent for the construction of collaborations and networks in which they are involved (a further 20% say the VSI has been responsible to some extent).

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[27] An Evaluation of the Sectoral Involvement in Departmental Policy Development: Page 39.
[28] An Evaluation of the Sectoral Involvement in Departmental Policy Development: Page 50.

Voluntary Sector Initiative Impact Evaluation:
Lessons Learned from the Voluntary Sector Initiative (2000-2005)

5. Voluntary Sector Initiative (VSI) Impact on Legislative and Regulatory Reform- Evaluation Findings

The third objective of the VSI was to improve the legislative and regulatory environment under which the voluntary sector operates. Regulatory reform measures under the VSI can be divided into two areas: those that pertain to registered charities and those that pertain to the larger voluntary sector, including the nonprofit corporations.

5.1   Charities Regulatory Reform Initiative

The Joint Regulatory Table (JRT), formed in 2000 as one of the six joint tables that comprised the Joint Table component of the VSI, was asked to make recommendations to government on three key issues:

- Increasing the transparency of the regulatory process;

- Improving the system for appealing decisions made by the regulator; and

- Introducing a range of penalties for non-compliance with legal requirements.

The Table was also asked to develop and discuss further the institutional models, identified in the *Working Together* report, within which the regulatory function could be exercised.[29]

The JRT's final report proposed 75 recommendations, of which 60 were supported in the 2004 federal budget and 9 were partially supported. Most key informants commented favourably on the large number of recommendations that were supported. However, according to key informants from the Sector, a pervading disappointment was the absence of support in the 2004 federal budget, for the JRT's recommendation that the Tax Court of Canada be considered as the first court for hearing appeals of the regulator's decisions.

The area of regulatory reform is unique among the VSI objectives from an evaluation standpoint, in that the implementation of the Charities Regulatory Reform Initiative did not begin until 2004 and will continue until 2009, although two objectives (revised T3010A and clarification on the policy regarding related business activities) had been addressed by the time the JRT had finalized its report in March 2003. Thus, the impacts have had less time (as of the date of this evaluation) to manifest themselves and, as efforts in this area are ongoing, the full impacts have yet to occur.

Among voluntary sector organizations, regulatory reform is the most recognized initiative of the VSI; over half were aware of the revised T3010A (Revised Registered Charity

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[29] Joint Regulatory Table final report http://www.vsi-isbc.org/eng/regulations/pdf/jrt_final_report.pdf

Information Return) (65% among organizations with charitable status). There was also relatively high awareness of the publication of reporting forms and financial statements (again, especially among charitable organizations, 50% for charities, 23% for nonprofits). Most still feel that they are not well enough informed about changes in the regulatory environment (68% of respondents felt that they were not well enough informed, indicating they required more information on "everything"). Fewer than three in ten are aware of changes under Industry Canada's *Not-for-Profit Corporations Act* and/or any public education or outreach efforts by CRA.

Government officials, when asked to specify in which areas they thought the VSI had contributed to positive change in the regulatory environment, noted increased funding within the CRA (leading to improved services and a better relationship with the voluntary sector), along with the most significant changes in regulation in twenty-five years, and the implementation of these changes in the 2004 Budget.

Government officials were also asked to identify areas in which the VSI had failed to generate required changes within the regulatory environment. They noted that the regulatory environment continued to be excessively complicated and obscure, and the government's failure to address substantial problems that also happened to be politically sensitive. Lack of inclusion of the treatment of advocacy within the mandate and the low level of funding were also mentioned. One official felt that the voluntary sector had become cynical of the government's intentions after operations of the successful Charities Advisory Committee ceased in September 2006.

Results from the various lines of evidence related to specific objectives follow.

5.2 Improved Accessibility to and Transparency of the Federal Regulator

Regarding the simplification of the reporting form for charities, there was unanimous agreement on significant progress. While the initial revised T3010A Registered Charity Information Return was much easier to complete, some charities, especially smaller ones, still had trouble completing it. Partly in response to these difficulties, an outreach program (Charities Information Sessions and Charities Partnership and Outreach Program) was created to support charities in their attempts to maintain compliance with the *Income Tax Act*. Among those voluntary sector respondents who were aware of some aspect of the regulatory change, 39% saw positive impacts in the area of "clarity of instruction and general complexity of the form", and 33% felt there had been positive impacts in the area of "amount of work to complete the form".

While the initial revised T3010A form was simpler, a number of key informants believe there has been some slippage in this area, with an increase in the length and complexity of the form.

Efforts in the area of regulatory reform (including outreach, training activities, and learning resources) to improve the accuracy and timeliness of the T3010A are ongoing and therefore the full impacts are not yet evident.

Voluntary sector organization respondents, aware of some aspect of the regulatory reforms, reported significant positive impacts on the general areas of regulatory reform, such as the "level of accountability and public trust in charities", "clarity of information about legal obligations and requirement of registered charities "overall fairness of regulations for the Sector", and the "level of transparency of regulatory activities".

Among voluntary sector organizations, there was some awareness of reforms that impacted accessibility and transparency:

- Public education and outreach by CRA to increase compliance/solve issues: 27% (29% for charities, and 13% for nonprofits);

- Publication of information on application of sanctions: 20% (22% for charities and 6% for nonprofits).

A subset of the government officials were surveyed regarding improvements in the area of regulatory reform. The majority, reported significant improvements in:

- Posting of draft policies and charities' annual information returns on the CRA Website;

- Greater transparency of regulatory activities; and,

- Public education and outreach by the CRA.

The establishment of a working group to improve and oversee the development of legislative and other proposals was seen as the least successful, with half of respondents reporting no improvement. The responses do not, however, explain if the perceived lack of success is due to a failure to establish a group with this specific mandate or the lack of knowledge within the sector of the ongoing work of the Technical Issues Working Group which has been meeting on a regular basis with the CRA since May of 2004 to identify, discuss and resolve technical issues pertaining to registered charities and the *Income Tax Act.*

5.3   Appeals for Organizations that Disagree with Decisions made by the Regulator

There were mixed feelings, among case-study key informants, regarding the reformed appeals process. Some saw improvements in accessibility, while others expressed scepticism about the effectiveness of the appeal process outside the Federal Court of Appeal. The new appeals process had only been operating for a short time when the case study on regulatory reform was conducted, thus it is likely too early to determine overall satisfaction with the process itself. However, statistics on the number of objections filed indicate a large jump in the use of the process (in the 2005-06 fiscal year there were 16 objections filed, 2006-07 there were 36 objections filed, and in the fiscal year 2007-08 there were 64 objections filed).

Most government officials believed that the appeals process had improved (half significantly so). Appeals processes and the implementation of intermediate sanctions were also mentioned by the government officials interviewed as areas of positive change due to the VSI. However, according to key informants from the Sector, the absence of support in the 2004 federal budget for the JRT's recommendation that the Tax Court of Canada be considered as the first court for hearing appeals of the regulator's decisions was a pervading disappointment.

5.4 Compliance Reforms, such as the Possibility of Introducing new Sanctions to Ensure Charities meet their Legal Obligations

Awareness of penalties and sanctions in the Sector was relatively low; 21% were aware of the new scheme of penalties related to individual offences, 20% were aware of the publication of information on the application of sanctions.

These low levels of awareness are to be expected as only the first sanction had been made public at the time of the case study (after the survey of voluntary sector organizations). Key informants noted that it is too early to assess the effectiveness of the new penalty structure.[30]

5.5 Institutional Models

The Broadbent panel, established by the VSR, released a report in 1999 outlining 40 recommendations for the government on how to create an environment, which would foster a stronger relationship with the Sector through regulatory and institutional reform. There were four high priority areas, one of which was creating a new institution to replace the CCRA (now the CRA) as the primary regulator of charities.

The *Working Together* Report also made recommendations concerning institutional models and how models could be studied and assessed.

The Joint Regulatory Table was given the task of developing and discussing institutional models[31] within which the regulatory function could be executed but was not asked to provide a recommendation of the preferred model.

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[30] Changes to the *Income Tax Act* were made to meet the objective of introducing a range of penalties for non-compliance with legal requirements.

[31] The discussion of these models can be found in the Final Report of the Joint Regulatory Table.

5.6 Other Regulatory Reform Initiatives

5.6.1 Director's Liability

As part of the VSI, Industry Canada established an Experts Group on Nonprofit Law and Directors' Liability. Its mandate was:

- To promote collaboration between Industry Canada and the nonprofit sector on corporate governance and directors' liability;

- To provide expert advice to Industry Canada on issues related to options for reforming the *Canada Corporations Act* - Part II and for addressing directors' liability.

The Experts Group was composed of 10 individuals from across Canada, identified by the sector as particularly knowledgeable about how it operates. In 2002, Industry Canada published the Primer for Directors of Not-for-Profit Corporations (Rights, Duties and Practices).[32]

5.6.2 Not-for-Profit Corporations Act

The Experts Group worked extensively with Industry Canada on reform and revision of Section 4 of the *Canada Corporations Act* (subsequently proposed as a separate piece of legislation. Consultations were held across the country with nonprofit organizations. A new *Not-for-Profit Corporations Act* was tabled in Parliament for first reading in November of 2004 but was not passed before the 2006 federal election. A second version of the Act was tabled in Parliament for first reading in June of 2008 but was not passed before the 2008 election call. These delays could explain the low levels of awareness for the revised incorporation procedures and bylaw changes under the New *Not-for-Profit Corporations Act*: only 28% were aware (30% for charities, 17% for nonprofits) as any changes have yet to become law and implemented. Although draft legislation exists, this Act still must be described as "work in progress".

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[32] http://strategis.ic.gc.ca/epic/site/cilp-pdci.nsf/en/h_cl00688e.html

Voluntary Sector Initiative Impact Evaluation:
Lessons Learned from the Voluntary Sector Initiative (2000-2005)

6. Continued Relevance of the Voluntary Sector Initiative (VSI) Rationale

6.1 Objectives

The objectives of the VSI were:

- To improve the relationship between the Sector and the federal government;

- To build Sector capacity in areas of finance, human resources, policy and knowledge, and information management; and

- To improve the regulatory and legal framework under which the Sector operates.

The VSI was planned as a limited project with a five-year lifespan[33] and a $94.6 million budget. The impact assessment studies (i.e., survey of voluntary sector organizations, survey of government officials and case studies) attributed the muted impacts observed among those involved in both the Sector and government to the lags in starting the VSI and the inevitable winding-down at the end.

6.2 Role of the Sector

Over one-quarter of those interviewed in the Survey of Voluntary Organizations believed that the role of the Sector in the delivery of programs and services had **increased** over the 2000-05 time period. Among those who saw an increase, the most frequently cited reason (39%) for it was the necessity for the Sector to provide services due to cutbacks in social programs by governments. A close second was the government's recognition of the necessity and demand for input from the Sector (35%). Strengthened unity and capacity was mentioned by approximately one-in-ten respondents, while 6% thought that communities themselves were taking on more of the responsibility at the grassroots level for getting things done.

An offsetting 16% saw a **decline** in the role for the Sector when it came to providing goods and services. The most frequently cited reason was a lack of communication and a failure to work together. A lack of core funding and fewer volunteers were also seen to have played a role in the decline.

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[33] Notable exceptions are the regulatory reforms undertaken by the CRA, which are ongoing and expected to be fully implemented by 2009.

6.3 Successes and Sustainability

Broadly speaking, the successes are concentrated in the areas of: intersectoral relationships; co-ordination and coherence in the interaction between government and the voluntary sector; and Sector awareness (i.e., knowledge/research/data). The Joint Tables were seen to be successful at creating a dialogue between the government and the Sector.

Both the survey of voluntary organizations and the survey of government officials enquired as to the sustainability of the improvements that had resulted due to the VSI. An overwhelming majority (37 out of 47) of government officials saw the improvements in the relationship between the Sector and the government as sustainable. The second most sustainable improvement was seen to be the increase in knowledge and use of information (21 out of 47). However, the improvements in finances, human resources, policy capacity and volunteerism were not viewed as sustainable.

Voluntary sector survey respondents were asked what would be required to sustain the improvements that have been made in networking within the Sector. The most frequently cited strategy necessary to ensure these ongoing improvements was access to increased or continued support. Examples of what form this support might take were: availability of core/committed funding to organizations to ensure the stability of organizations and provide the necessary staff and time to seek out and participate in collaborations. Organizations also mentioned the need for ongoing funding for an initiative like the VSI to foster relationships within the Sector and between the Sector and the government.

The major discrepancies between what was actually achieved and the stated objectives are predominantly found in the areas of holistic engagement of the Sector, increased opportunities for policy input from the Sector, and consultation in place of collaboration. While an impediment to the VSI on the "whole sector" engagement objective was the diversity and size of the Sector, there is evidence of increased cohesion and strengthened networks within the Sector that would likely make future engagement of the whole Sector more feasible. In terms of opportunities for policy input and true collaboration, a desire on the part of government is necessary and should be in place if another VSI-like initiative is undertaken.

To continue toward the successful achievement of the objectives of the VSI and in sustaining the achievements that were realized, a more specific, less intense program would be most effective. It would also be important that the group have multi-year funding, with periodic reviews of performance.

7. Cost-Effectiveness of the Voluntary Sector Initiative

7.1 Process

There were some specific suggestions offered in the VSI process evaluation report that would have been feasible within the time and financial budgets. First of all, the VSI should have formulated its strategic vision and mandate early on. Toward this end, it was suggested that the Joint Coordinating Committee (JCC) should have been established first, before the other Tables began.

The government should have cleared up some of the contentious issues that were left ambiguous throughout the process, as this could have eliminated a source of confusion and irritation among voluntary sector participants. The initiative was designed to be decentralized to engage more organizations, departments and public servants in the issue. Nevertheless, a strong centre providing oversight and leadership, especially in financial matters, would have been helpful.

The general consensus among those interviewed for the VSI Process Evaluation was that the Joint Table model, which received the bulk of VSI funds, worked extremely well as a vehicle for dialogue. This phase of the Initiative was not without its problems (as discussed in several places throughout this report) and as the backbone of the VSI, this phase would have benefited from a clearer mandate and less staff turnover.

7.2 SIDPD phase

The SIDPD component, focusing on the VSI's policy development objectives, received 30% of the funds, and was seen to have suffered from some serious design problems. A major shortcoming of the SIDPD program was the lack of a standardized reporting framework, which compromised the ability of the initiative to report on results and demonstrate accountability. There are final reports from only 15 of the 67 SIDPD projects that were funded, resulting in a large gap in our knowledge of the outputs and impacts that these projects had. Also, since the majority of SIDPD funds went to organizations with pre-existing relationships with their partner department, it is possible that the impacts observed within the organizations would have occurred regardless.

7.3 Operational

The operational delivery structure of the VSI, including SIDPD, had weaknesses which could have been improved upon with the resources available (e.g., clarity in the mandate and timeline of the Joint Tables would have been costless).

Increasing the timelines of the SIDPD selection process may have resulted in a more effective achievement of the objectives. A methodology institutionalizing the lessons learned should have been a component of the VSI, perhaps with additional funds. Project evaluations should have been mandatory for the SIDPD projects, from the perspectives of both learnings and overall program evaluation.

Approximately 6% of the VSI budget funded research on the Sector via the creation of the Satellite Account on nonprofit institutions and volunteering at Statistics Canada. The inclusion of the Sector in the National Accounts was seen as a great success of the VSI.

8. Conclusions and Lessons Learned

8.1 Improving Sector-Government Relationships

The VSI demonstrated that *collaboration between the voluntary sector and the government is worthwhile.* However, *it requires enormous amounts of time and energy. There are limits to the areas and extent to which collaboration can take place, given certain characteristics of the Sector and issues of accountability and management for the government.*

It is imperative that there is clarity regarding the issues that are on the table and the roles and responsibilities of each party (i.e., there is a difference between consultation and collaboration and both government and sector participants must be clear about which is taking place).

It was the opinion of key Sector representatives that *the work of the Joint Tables was conducted under unclear and unrealistic objectives.* This was most clearly demonstrated in the potential for collapse of the Joint Regulatory Table that occurred due to the misunderstanding of the mandate. Yet, the joint tables were considered a major success, precisely because of the collaborative development of recommendations.

There were some slight improvements in the relationship between the voluntary sector and the federal government, however they tended to be short-lived and were adversely affected by issues such as expectations around accountability, high turnover in staff and change in priorities in the federal government.

If a new initiative were to carry on in this direction it would be important to learn from the goal overload of the VSI, and restrict the objectives and mandate of any future endeavor. The engagement of the whole sector, as large and heterogeneous as it is, was unrealistic and likely diluted the impacts of the initiative. It is necessary to clarify whether the government views the Sector as a provider of goods and services or as the builder of civil society and social capital,[34] or both, and an initiative tailored to these role(s) would likely be more effective.

Turnover of people is a reality. Turnover undermines continuity, but also determines whether initiatives and actions can be institutionalized, which, as pointed out elsewhere, is of key importance to sustainability. *During the VSI, turnover was particularly high with the representatives from government. In the future, collaborative efforts over an extended period should organize to reduce the need for continuity of people* by documenting the meetings, designating positions as departmental or Sector representatives, but allowing the organizations to fill the positions as they choose. Such an approach is not as desirable as the same people working on a project, but that has been demonstrated as infeasible.

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[34] This distinction was drawn by Diane Leat at the Methodology Conference 2005.

8.2 Communication

Among government officials interviewed the value of the dialogue that was started within the Sector as well as between the Sector and the government was seen as the strongest result of the VSI. According to survey respondents in the Sector, *the value added for those in the voluntary sector was an improvement in the relationship that they had with the government, the development of tools and resources for their use, and the creation of a united and strengthened voice for the Sector.*

Awareness of the VSI, and its key products: An Accord between the Government of Canada and the Voluntary Sector, The Code of Good Practice on Policy Dialogue, and The Code of Good Practice on Funding, was modest among those surveyed in the voluntary sector. This is to be expected, as the initiative did not direct adequate resources towards raising awareness and knowledge of the Initiative.

8.3 Role of the Sector

The role of the Sector in the delivery of federal government programs is another area of particular interest. Positive feedback from government officials was fairly muted in this area; only 13 officials (out of 51) agreed that the VSI had resulted in an improvement in communication between government officials and voluntary sector officials in the operation of government programs and services. Furthermore, only 8 (out of 47) reported an increase in the use of public funds in the voluntary sector for programs and service delivery.

This was echoed by sector organizations: one-quarter of organizations believe that the role of the Sector in assisting the federal government with the development and delivery of their programs and services increased over the VSI period, offset by 16% that saw their role decrease. Those who saw a decrease cited a lack of communication between government and the Sector as the most common reason, followed by lack of core funding, and fewer volunteers. Those who believed there had been an increase in the role and contribution of the Sector cited the primary cause as cuts to social programs by governments that necessitated the involvement of the Sector. This was followed closely by the government's recognition of the necessity for input from the Sector.

Improvements in program and service delivery by the federal government were seen by several government officials interviewed as being one of the strengths of the VSI. These improvements *reflected the increased awareness of the need to involve groups in influencing the development of policy and programs along with more consultation and awareness of the role the Sector can play in identifying priorities.*

8.4 Building Sector Capacity

Measuring capacity is not straightforward. The voluntary sector is comprised of organizations that vary in terms of: size, type, location, population served, mandate, etc. One organization's idea of increased capacity might be completely different from that of another, or of government. Bigger is not necessarily better.

Notwithstanding the measurement ambiguities, capacity is the one area of the VSI where some quantifiable indicators are available. However, in the presence of much stronger external forces, the VSI did not have much of an impact on any of the capacity measures. While improvements in IT were widespread and human resources to a lesser extent, the VSI received little credit for these changes. While attribution to the VSI for these improvements is low, organizations with a greater awareness of the VSI were more likely to have seen increased capacity in these areas.

The Sector receives the majority of its income from the sale of goods and services and the second most important source of funds for the Sector is transfers from governments. Sales were up 35%, 2004 relative to 2000 and government transfers, in total, are up 24% from the 2000 level. None of these changes were attributed to the VSI. The VSI budget of $94.6 million pales in comparison to the Core Sector revenue in 2004 of $62 billion. It provided little increase directly in financial capacity.

The HR Council is seen as one of the most important outputs of the Capacity Joint Table (CJT) without which, interview respondents feel that there would be no sustained impacts of the work undertaken. Among voluntary organizations surveyed in 2007, 9% had used the tools and resources of the HR Council, and most had indicated that there had been a positive impact (13% highly positive and 61% some positive impact).

The most visible and sustainable outputs of the VSI were in the parts of the Initiative institutionalized (HR Council and Satellite Account), suggesting that, had other components of the Initiative followed a similar model where possible, the VSI might have yielded more tangible impacts.[35]

8.5 Knowledge and Information

One of the background documents for this report (*Voluntary Sector Current Conditions and Trends: Final Report*) analyzed sector data from a variety of sources including; the Satellite Account, the NSNVO, the CSGVP and tax files from the CRA. An important lesson learned from that exercise is that, *while the satellite account is an invaluable addition to our knowledge base of the voluntary sector, there are still gaps and inconsistencies for certain measures. The most noteworthy example is volunteering; which is a difficult concept to define and there is no reliable survey that reports levels of volunteering in a consistent way.* The NSNVO provides a robust and precise estimate of

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[35] At the methodology conference in 2005, Diane Leat pointed out that "…sustainability of structures and processes is likely to depend on the extent to which these are institutionalized whereas sustainability of relationships will depend in part on personalities and staff turnover."

voluntary sector statistics, however it was only conducted once (2003) and therefore no trends can be observed from these data. Differences in methodology, population and definitions make comparisons across databases problematic.

The development of the Satellite Account, funded through the VSI, ensures the availability of official economic statistics on this third pillar of Canadian society. Research projects that came out of the VSI are seen to be one of the great successes and are attributed with increased cohesion within the Sector. It is essential that these data be maintained, in order to provide an ongoing source of information on the Sector to all stakeholders.

8.6 Inter-Sectoral Relationship

One of the great success stories of the VSI has been the increase in collaboration and networking within the voluntary sector. While the VSI was not widely attributed with this change, the research products that were produced by the Initiative were very important in developing the Sector's identity, and may have gone a long way in contributing, perhaps indirectly and unbeknownst to those using them, to improvements in intersectoral relationships. These research products were seen by those in the focus groups as a long-term outcome of the VSI; "The single most important thing that came out of the VSI in my mind is the research base. That the Sector employs 2 million Canadians!"… "It (NSNVO) gave us the ammunition we need to make the case for the kinds of resources and awareness that our provincial government folk have about the Sector."

The diversity of the Sector has been cited as one of the challenges to engagement of the whole sector. There is evidence, however, that the VSI changed the way the Sector viewed itself by unifying (to some extent) the voice with which the Sector speaks. Evidence of this was found in the survey of voluntary sector organizations, where one in five (18%) cited the creation of a common and stronger voice for the Sector as one of the main strengths of the VSI.

8.7 Policy Development

In the focus group of key sector representatives, *policy development is the focus of a relatively small number of organizations within the Sector. Most organizations cannot afford the significant outlay in time and resources that policy participation requires.* This was evident in the survey of voluntary sector organizations, which showed that involvement in federal policy is far more common among large organizations (revenues exceeding $5 million). It was suggested that the level of interest within the Sector in policy, was overestimated. As well, SIDPD had not been a recommendation of *Working Together*. Given that there are a small number of large organizations with specific areas of expertise involved in policy, it appears as though the funding allocation to this component of the Initiative was disproportionate to the general interest/relevance in the Sector. The lesson learned is that *many Sector organizations are more focused on the delivery of services rather than direct involvement in policy development.*

SIDPD was the VSI's major vehicle used to achieve its policy development objectives. Serious program design flaws were noted at the time and some adjustments occurred prior to Round 2. The most noteworthy flaws included: *a rush to allocate funding resulting in lack of engagement of the whole sector; lack of a clear reporting and accountability framework; and a lack of a strategy to facilitate knowledge transfers.*

The impacts on policy development were concentrated on a few organizations that already had a relationship with the federal government, likely in a policy capacity. While there is some evidence from specific SIDPD projects regarding positive impacts, the entire program was poorly documented in terms of evaluation and knowledge transfer; the result is that for the majority of the 67 projects, the impacts are unknown.

Among government officials surveyed, awareness of the *Code of Good Practice on Policy Dialogue* was high (32/47) and slightly less than half (16/33) thought the *Policy Code* had been somewhat successful. The SIDPD project report found no evidence of an impact, or even use, of the *Policy Code* in any of the 15 projects that were reviewed[36] (although Round 2 projects were well underway before the *Policy Code* was produced) No evidence of current use of the *Policy Code* was found in any of the other documents synthesized.

At the methodology conference in 2005, Diane Leat pointed out that "…sustainability of structures and processes is likely to depend on the extent to which these are institutionalized whereas sustainability of relationships will depend in part on personalities and staff turnover." *The fact that the most visible and sustainable outputs of the VSI were in the parts of the Initiative institutionalized (HR Council and Satellite Account), suggests that, had the other components of the Initiative followed a similar model, the VSI might have yielded more tangible impacts.*

While many of the VSI activities were not aimed at the institutional level, the fact that the learnings were not formalized in any way (e.g., the paucity of final reports and lessons learned from the SIDPD projects) represents a missed opportunity to fully capitalize on the experience, and to identify ongoing (i.e., sustainable) impacts that might have occurred above and beyond the impacts on those directly involved.

8.8 Improving Regulatory and Legislative Frameworks

8.8.1 Charities Regulatory Reform Initiative

The area of charities' regulatory reform is unique among the VSI objectives from an evaluation standpoint, in that the implementation of the Charities Regulatory Reform Initiative did not begin until 2004 and will continue until 2009. Thus, the impacts have had less time (as of the date of this evaluation) to manifest themselves, and as efforts in

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[36] The start of Round 1 projects predated the development of the Code.

this area are ongoing, the full impacts have yet to occur. The joint table model, praised in other lines of evidence, was also lauded in the area of regulatory reform.

The VSI which had high awareness (and was also seen as sustainable) was the area of Regulatory Reform, which is still ongoing. The revision to the annual reporting form for registered charities is a tangible outcome of the VSI.

8.8.2   Director's Liability and a new Not-for-Profit Corporations Act

An Experts Group was struck and fulfilled its mandate by assisting Industry Canada in developing recommendation on revisions to the *Canada Corporations Act* (portion dealing with nonprofit corporations) which included provisions on liability, and developing a Primer for Directors of Nonprofit Corporations. It also provided inputs to the new *Not-for-Profit Corporations Act*, first tabled in 2004. The new Act has been given Royal Assent and is ready to become law.[37] The implicit lesson learned is that *a collaborative effort can create Acts for consideration of Parliament, but their completion requires that the government treat it as a priority.*

8.9   Lessons Learned about Evaluations

Finally, this report was peer reviewed by three academics well positioned to provide expert advice in this area. There was a consensus among the reviewers that *it was necessary that the evaluation function be incorporated into the Initiative at the outset in order for an evaluation of this type and scale to be successful*. The recommendations provided by the peers addressed the need to respond to challenges of undertaking the evaluation after the initiative's implementation; and the importance of establishing a data collection strategy at the start of the initiative.

Program goals and objectives were not linked in advance, nor were there clearly specified and quantifiable impacts to be achieved.

The importance of establishing causality where it is impossible to fully control the external environment to conclude that observed changes (whether positive or negative) are attributable to the actions of the Initiative.

There were obstacles for the specific high-quality evaluation studies that served as the "lines of evidence" for this synthesis. The reader is directed to the specific reports for a further description of their challenges.

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[37] Bill C-4, the *Canada Not-for-Profit Corporations Act* passed Third Reading in the Senate and received Royal Assent (June 2009).

The Program Evaluation Function

As a decision-making and management aid, program evaluation in the federal government is seen as a part of strategic management. It is a source of information that can lead to program improvement and organizational learning. There are two levels of evaluation. The Formative evaluation, which is conducted during the operation phase, is intended to provide program managers with information on how to improve the program. The Summative evaluation is conducted after a program has been operating for a sufficient period of time and is intended to assess its merit.

Measuring the effectiveness of a program through results is considered to be an essential feature of the new management regime, which is more citizen-focused. There is increased interest in performance measurement as a way to increase the capacity of managers to carry out program evaluations.

In any evaluation there is an underlying challenge. Changes are observed in society. Did the program cause the change? In other words, is there a causal link between the program elements and the effects? Can the changes that occur from multiple causes be separately decomposed so that parts of the change can be attributed to the program?

The usual practice is to define a base case or reference view without the program and then to contrast the outcomes with that base case. The difference becomes an estimate of the program's impact. As easy as this might sound, the difficulty is in defining that base or reference case. Is there a group not involved with the program but similar in other aspects? Does the program apply in only one region? One helpful approach is to have a model of the process under study and then take the forecast without the program as the base case to compare to the forecast with the intervention.

The role of central agencies in evaluation is appropriate when either the improvement of budget priorities or the assessment of results cuts across departments within a programming sector. When the objectives are to increase transparency and accountability an independent evaluation is appropriate. As part of this evaluation of the VSI, an external peer review was conducted and culminated in the presentation of ideas by a panel of experts during the Methodology Conference sponsored by HRSDC (then Social Development Canada). The joint nature of the Evaluation Steering Committee comprised of government and voluntary sector representatives that was established to undertake this work lends further credibility to the level of transparency and accountability of the evaluation findings. [38]

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[38] *Study of the Evaluation Function in the Federal Government*, April 2004, Prepared by the Centre of Excellence for Evaluation, Treasury Board of Canada.

In recent years, there has been an increase in the public's expectation of accountability and transparency of voluntary sector organizations. This has led to the development of evaluation expertise within the voluntary sector. The Voluntary Sector Evaluation Research Project (VSERP) was a five-year, joint initiative[39] that focused on the improvement of the capacity among voluntary sector organizations to assess their performance and to communicate the results to their supporters, stakeholders and the public. However, the website for this initiative has been taken down, and there are no functioning links on Imagine Canada's website.

Another example of increased evaluation capacity in the voluntary sector is the existence of organizations like the Canadian Outcomes Research Institute (CORI), whose mandate is to increase the effectiveness of the evaluation capabilities of other organizations in the Sector.

Evaluation Methodology

In the course of the work undertaken to conduct this synthesis of the evaluation of the VSI, a number of challenges became apparent. First, evaluating the VSI was more difficult because program goals and objectives were not linked in advance. Nor were there clearly specified and quantifiable impacts to be achieved. Second, and certainly not unique to this evaluation, is the challenge of establishing causality. Outside of a laboratory, i.e. in the real world, it is impossible to control the external environment thus precluding the ability to conclude that observed changes (whether positive or negative) are attributable to the actions of the Initiative. And finally, there were obstacles for the evaluation work. There were a number of high quality evaluation reports that served as the "lines of evidence" for this synthesis. Each of these reports encountered limitations in the course of their evaluations; the reader is directed to the specific reports for a further description.

The evaluation framework was built by the New Economy Development Group in November 2005. The steps taken in the evaluation process are outlined in the following paragraphs, as stipulated in the project outline produced by HRSDC.

The following is a list and brief description of the documents that were included in the roll up of the multiple lines of evidence:

- *Voluntary Sector Initiative Summative Evaluation Framework and Methodology Report* (2005): prepared by the New Economy Development Group (NEDG) in November 2005, this report provided a foundation for the Evaluation of the VSI. A primary document review was done to identify all of the VSI activities and decisions. Key Informant interviews were conducted with 10 people, public servants and representatives from the voluntary sector coordinating bodies. In developing the Logic Model, agreement from a Focus group of senior representatives from the voluntary sector and the federal

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[39] Canadian Centre for Philanthropy (now Imagine Canada), Centre for Voluntary Sector Research and Development, Carleton University, United Way of Canada-Centraide Canada, YMCA Canada, Volunteer Canada, Max Bell Foundation, CCAF (formerly the Canadian Comprehensive Auditing Foundation), Community Foundations of Canada and Philanthropic Foundations Canada.

government was reached. This logic model is intended to serve as a map of the VSI, and as such is a key component of the conceptual framework for the evaluation. A literature review was conducted in order to examine issues related to the appropriate measurement of the substantive issues within the VSI. And finally four academics were contacted to obtain input and guidance on the evaluation (Susan Phillips, Carleton University; Kathy Brock, Queen's University; Brad Cousins, University of Ottawa; and Ellen Taylor Powell, University of Wisconsin).

- *Measuring Progress in Joint Partnerships with Government: Methodologies to Assess the Voluntary Sector Initiative* (2005): A collection of papers presented at the Conference held in December 2005 to discuss the evaluation work that, at the time, was being started by HRSDC. These papers represent the views and insights of experts on measuring the progress in partnerships between the government and the Sector. The presentation by Lester M. Salamon, *The New Governance and the Tools of Public Action: Implications for Canada's Voluntary Sector Initiative*, was particularly relevant to this synthesis.

- *The Voluntary Sector Initiative Process Evaluation* (2004): The report draws on two sources of evidence: a literature review and 102 structured interviews (cross-section of VSI participants, in equal numbers from the VS and government). The focus of the process evaluation was whether the structures, policies and operations of the VSI helped or hindered the achievement of its objectives, what could have been done differently and what were the lessons learned. This evaluation covers part of the VSI (up to Oct 2002 which concludes the Joint Table phase, excluding SIDPD). The focus is on the process of the VSI and its relation to the success factors rather than on tangible evidence of impacts.

- *An Evaluation of the Sectoral Involvement in Departmental Policy Development* (2004): The report took a year-long phased approach. It was conducted prior to the completion of Round 2 projects and was thus intended to be an interim report, to provide lessons learned and guidance for the second round of SIDPD projects. The evaluation used the following methods; document review, Key Informant Interviews (55 from senior representatives from the voluntary sector and federal departments who were involved in the management, delivery and review of SIDPD projects), and three focus groups. There was a warning included in the report regarding an inconsistency across data sources on the project documentation, in terms of quality. Similar to the VSI process evaluation, this evaluation is focused on the *process* of the SIDPD rather than on impacts of the projects.

- *Voluntary Sector Current Conditions and Trends: Final Report* (March 2007): The purpose of the report was to provide an overview of the voluntary sector for the period in time in which the VSI was in operation. A wide range of databases were used in an effort to piece together a comprehensive picture of the voluntary sector, and to look for an agreement in magnitude and/or trends from the different sources. The Satellite Account and the CRA tax files were heavily relied upon as the most robust databases. The quality of each database was discussed and the appropriateness of comparing numbers across sources was assessed. There is a high level of confidence in the numbers coming from Statistics Canada, and the analysis across databases was rigorous. Some data series went back further and were presented to get an idea of what

the Sector looked like in the pre-VSI period. The findings here are focused on the capacity side at the macroeconomic level and do not directly address regulatory reform, policy development or relationships between the Sector and the federal government. There was an updated version of this work released in January 2008 *Satellite Account of nonprofit institutions and volunteering* Working Paper to capture the latest data added to the Satellite Account.

- *Survey of Voluntary Sector Organizations Final Report (2008)*: The sampling frame for this survey was built from the CRA tax files for charities and nonprofits (T3010 and T1044). The sample was not random, given the non-existence of a nationally representative sampling frame and the anticipated low levels of awareness of the VSI. The first part of the sample was drawn from a targeted list of individuals and organizations that had been directly involved in the VSI. Otherwise the sample was restricted to organizations receiving at least $1,000 from government. The second part of the sample included organizations with a relationship with the federal government; the third consisted of organizations with no ongoing dealings with the government or knowledge of the VSI. There were a total of 2,104 interviews (52% response rate). Weightings were used to adjust for size, type (for charities) and region. There was no weighting for relationship with federal government. While the sample is large and a good reflection of the types of organizations that the VSI targeted, many of the questions relating to the impacts of the VSI were asked to a small subset of the sample (thus the margin of error for these questions is much higher than for the overall sample size and the confidence level is decreased). Other caveats are; the long time period people are asked about (2000-05), the time that has lapsed since the end of the VSI (2005-07) as well as the other programs that were aimed at the Sector over the years, make it difficult for people to provide a clear assessment of the VSI. The survey was designed based on the Evaluation Framework, and captures key questions that this evaluation would like to address.

- *Voluntary Sector Initiative: Survey of Federal Government Officials (2008)*: Undertaken by R.A. Malatest & Associates Ltd, this report was based on the findings of 60 completed online surveys of government officials sampled from departments involved with the VSI and 10 face-to-face and telephone interviews with senior federal government officials who were involved with or aware of the VSI. The list of contacts contained 121 individuals, with 60 completions. The list was developed in consultation with members of the Joint Steering Committee and departmental and sector representatives. A small subset of respondents who were involved with SIDPD projects answered some additional questions (11). Another small subset of respondents was asked about regulatory reform (4). The questions are asked only to those who indicate that they are either very or somewhat aware of a given code/activity etc. The responses are not statistically significant and should not be interpreted as being reflective of government opinion in general. The survey covered a broad range of areas including capacity, regulatory environment and policy development, using very specific questions and probing where appropriate. Participation in the survey was voluntary.

- *Case Studies (2008)*: There were four separate case studies conducted for the evaluation. The *VSI Outcomes in the Area of Human Resources Capacity* case study examines outcomes of the CJT in one specific area of capacity: paid human resources. There were 4 interviews conducted with individuals involved with the CJT, the interviews were conducted by telephone and were approximately 1 hour in length. The focus of this case study is very specific and provides a very close look at one aspect of the CJT. The case study *Capacity Building and Policy Building through the a) Sport Policy Advisory Collective and b) Social Inclusion, Gender Equality and Policy Capacity Enhancement Projects*, provides anecdotal evidence on two SIDPD projects. *The two SIDPD projects were selected for this case study to illustrate the areas of capacity building and policy building.* There were 5 people interviewed for the sports policy project and 2 for the Gender equality project. The number and detail of the quotes and examples of impacts were much richer for the sports policy project than for the gender equality project. The Case study *Outcomes of the VSI at Health Canada/Public Health Agency of Canada* examines the outcomes of the VSI and SIDPD projects in one selected department: Health Canada/Public Health Agency (HC/PHAC). Ten individuals involved with VSI initiatives at HC/PHAC were interviewed. The case study: *The Canada Revenue Agency and Regulatory Reform* evaluates the extent to which the three intended outcomes of the VSI Joint Regulatory Tables were achieved during the VSI, focusing on a review of the implementation of pertinent recommendations from the JRT that were accepted, in whole or in part, and that were the basis of the Regulatory Reform Initiative. There were five individuals interviewed including representatives from the federal government and the Sector.

In addition to the original list of documents to be synthesized the following were added:

- *Evaluation of the 2001 International Year of the Volunteers Initiative (2004)*: The purpose of this evaluation was to assess progress toward the achievement of the expected outcomes of the initiative and to assess the appropriateness of the design and delivery of the IYV. It focuses solely on the activities of the Department of Canadian Heritage (not on HRSDC). The IYV received $7.7 million in funding out of the VSI budget (about 8%). The methodology used in this report includes a file and document review, 21 Key Informant interviews[40] and two polls on Canadian views on volunteering. Both polls were conducted during the IYV and therefore there is no baseline awareness to compare to, which is a major shortcoming. Quantitative information is available regarding the number of kits, posters and products produced and distributed to voluntary organizations; to what extent these kits were used they do not know.

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[40] Key informants included staff members from the Department of Canadian Heritage, HRSDC, and the Privy Council Office; delivery agents (i.e., Volunteer Canada, the Coalition of National Voluntary Organizations); organizations that were the intended targets of IYV communications; and project consultants who assisted in the development of communication strategies.

- *SIDPD: Summary of Evidence of Project Impacts on Policy Capacity (2007):* This paper summarizes the findings from the final evaluations of the SIDPD reports, and presents evidence of the impacts. There were a total of 67 projects funded through the SIDPD portion of the VSI; only 15 of these were summarized in this report. It is also important to note that there was no common evaluation framework, each project was independently assessed.

Annex 2: Voluntary Sector Initiative (VSI) Components

Figure 1
Main Components of the Voluntary Sector Initiative[41]
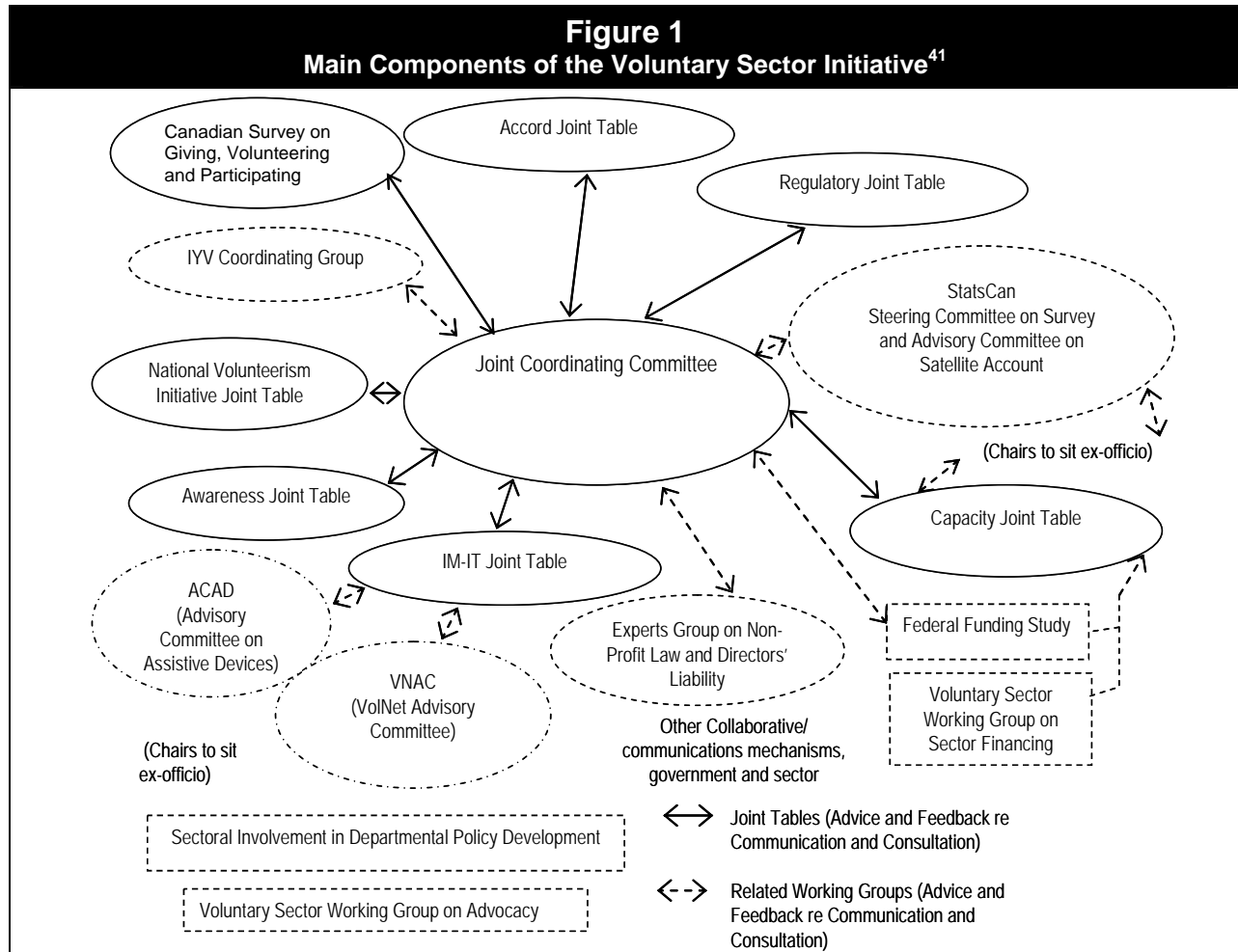
Additional Sources

In addition to the Evaluation Reports listed and described in the preceding Annex the following Data Sources were consulted:

www.thecompact.org.uk

http://www.hrcouncil.ca

Joint Table Final Reports, all of which can be found at

http://www.vsi-isbc.org/eng/regulations/pdf/jrt_final_report.pdf

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[41] Voluntary Sector Initiative Process Evaluation: Final Report, Social Development Canada, April 2004 page iv. Note table presented is a modified form of that presented in the process evaluation report.