

***Evaluation of the National Child  
Benefit Reinvestments Initiative***

*Indian and Northern Affairs Canada  
Audit and Evaluation Sector*

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# 1 Introduction

The National Child Benefit Reinvestments (NCBR) Initiative is one of Indian and Northern Affairs Canada's (INAC) suite of social programs for First Nations individuals and families on reserve. INAC spends approximately \$1.3 billion on these programs which also include: Income Assistance (IA), Assisted Living (AL), First Nations Child and Family Services (FNCFS) and the Family Violence Prevention Program (FVPP).

Launched in 1998, the National Child Benefit (NCB) Initiative is a federal/ provincial/ territorial initiative and encompasses two programs: a federally provided refundable tax-credit to low income families, referred to as the NCB Supplement; and First Nation and provincially provided initiatives, referred to as the NCB Reinvestments.

INAC is responsible for the NCB reinvestments on-reserve. Out of the total \$3.4 billion invested by the Government of Canada in 2005-2006 for the entire NCB Initiative, the First Nations share of income from the NCB Supplement was approximately 1.6% (\$55 million). First Nations families have access to the NCB supplement in the same way as other Canadian families through the income tax system administered by the Canada Revenue Agency.

The whole NCB initiative will come for renewal in the next two years. An evaluation led by Human Resources and Social Development Canada has been launched with results expected in 2008-09 and any resulting policy changes will affect INAC programming.

Under the federal Transfer Payments Policy, the terms and conditions for all federal transfer payment programs must be renewed every five years. At present, INAC's NCBR Initiative, along with the Income Assistance and Assisted Living programs, is operating under an interim authority, which must be renewed by March 31, 2008. One condition for the renewal of the programs is the completion of a program evaluation of each program.

Previous reviews of the NCBR component indicated a lack of performance data which impedes an evaluation of impacts.<sup>1</sup> Further, the Audit and Evaluation Sector assessed the evaluability of the NCBR initiative in 2006-07 and found that NCBR funds are co-mingled with many other programs making attribution of results not possible. Given the constraints the evaluation focuses on program effectiveness and identifying ways to improve outcomes. The evaluation covers program activity from 1998-99 to 2005-06.

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<sup>1</sup> These studies included: the interim evaluation of the NCBR for First Nations (2002), the Auditor General's management review entitled Federal Support for Aboriginal Children: Performance Information (2004), and an evaluation of the overall federal/provincial/territorial NCB (2005).

## 1.1 Evaluation Issues

In June 2007, the Audit and Evaluation Committee approved terms of reference which identified the following specific evaluation questions:

- What does INAC's NCBR consist of in each province?
- How does the NCBR augment (or relate to) existing programs and services in each region; what difference has it made for First Nations on reserve; and, what best practices exist?
- How (or to what extent) do NCBR projects on reserve complement the objectives of the Income Assistance Program? To what extent does the NCBR contribute to active measures programming?
- What type of NCB reinvestments do provinces/territories fund and what does the literature say about best practices and activities that are deemed to be most effective for reducing child poverty and increasing labour market attachment?
- How could the NCBR for First Nations be improved, and as implementation proceeds, what monitoring activity should occur to measure success?

## 1.2 Methodology

In preparation for the evaluation, the Audit and Evaluation Sector completed an assessment of the evaluability of the NCBR which included:

- a review of background information on the NCB and NCBR for First Nations;
- a file review of selected INAC NCBR project reports (n=327) from 2004-05 from two regions to examine data availability and project impacts being reported; and
- a review of domestic and international literature to assess what results were reported from similar programs and insights on how to measure outcomes resulting from NCBR in First Nations.

The evaluation of the NCBR was conducted at the same time as the evaluation of the Income Assistance Program and data collection was coordinated to reduce duplication and to better assess linkages between the programs. The evaluation methodology included the following components:

- **Literature Review** – A review of domestic and international academic literature on the effectiveness of programs that help parents increase attachment to the labour force and reduce child poverty.

- **Document Review** - The evaluation examined: background documents concerning the NCBR; key provincial, territorial, federal and First Nation studies (e.g. reviews, evaluations, audits, etc.) about income assistance, active measures, welfare or income security reform; and documents relating to other federal programs targeted to First Nations on-reserve.
- **Key informant interviews** - The evaluation included 85 in-person<sup>2</sup> interviews with several groups:
  - INAC managers at HQ and national representatives of other federal government departments (n=8);
  - Representatives of INAC's regional offices for British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Atlantic Canada (n=28);
  - during regional site visits, evaluators also interviewed representatives of other federal government departments (n=5) and Aboriginal organizations (n=8);
  - representatives of provincial governments (n=33);<sup>3</sup> and
  - representatives of territorial governments (n=3).<sup>4</sup>
- **Site Visits/ Case Studies** – Three case studies in First Nation communities assessed how aspects of INAC's IA and NCBR programs help individuals transition to work. They were conducted in three locations: Tsuu T'ina (Alberta), Tsawwassen (British Columbia), and Carry the Kettle (Saskatchewan). Visits included a review of available documents and discussions with INAC and First Nations representatives.

Specific limitations for the NCBR Evaluation included the following:

- the evaluation needed to be completed quickly so the methodological approach is built on existing research whenever possible;
- lack of data<sup>5</sup> and difficulties attributing results to NCBR projects impeded an assessment of impacts; and
- there is no performance measurement strategy defining expected results specific to INAC's NCBR initiative which limits assessment of program effectiveness.

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<sup>2</sup> A few individuals were unavailable at the time visits and were subsequently interviewed via telephone.

<sup>3</sup> Evaluators visited all provincial governments except Quebec which declined to participate in the study.

<sup>4</sup> The Northwest Territories and Nunavut are funded via territorial transfer outside the scope of the IA Program. Evaluators conducted telephone interviews and focused on understanding their National Child Benefit components, income assistance programs and any active measures they have undertaken.

<sup>5</sup> INAC program data is incomplete and not reliable in terms of providing information on specific aspects of NCBR projects. Data typically does not provide information on who benefits from projects and specific details of benefits.

## 2 The National Child Benefit

This section provides an overview of the National Child Benefit (NCB) and situates where INAC's NCB for First Nations fits into the broader initiative.

### 2.1 Social Policy Reforms in Canada

The evaluation literature review notes that social programs that provide income support to those in need have gone through several transformations over the past 15 years with the objective of promoting greater labour force attachment and economic self-sufficiency and reducing reliance on government programs. Of major concern were also the interactions between programs and tax measures that led to the existence of *unemployment traps* and *poverty traps* for income assistance recipients, making it often irrational for them to accept a low-paying job.<sup>6</sup>

In the 1990s, social welfare and child advocacy organizations called for government action to reduce the extent of child poverty.<sup>7</sup> The 1995 federal Budget was a landmark event focusing on the importance of social policy and fiscal constraint. It established the Canada Health and Social Transfer as a new structure of federal-provincial fiscal transfers that combined the Canada Assistance Plan transfers for welfare and social services with Established Programs Financing transfer for health and post-secondary education into a single block fund. The Budget reduced federal transfers to provinces by \$7.3B over the following three years dramatically altering social policy in Canada<sup>8</sup>.

Subsequently the *Report on the Ministerial Council on Social Policy Reform and Renewal* called for structuring of the social security system and called for an established framework for inter-governmental cooperation on national social policy reform. From this was born a proposal for an integrated National Child Benefit.

The introduction of the National Child Benefit (NCB) in 1998 was a major development in Canadian social policy. The Child Tax Benefit was crafted into a new federal child benefit under the NCB agreements, the Canada Child Tax Benefit (CCTB). The innovation was that the working income supplement was converted into an income-tested NCB supplement (NCBS). The NCBS not only supplements income from paid employment, as was previously the case, but supplements any source of income, including income from income assistance payments. The NCB supplement paid to low-

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<sup>6</sup> The unemployment trap occurs when benefits received by unemployed individuals are high compared with the income they can get from working. The poverty trap arises from the fact that increases in employment income not only raise taxes paid but also reduce both pecuniary and in-kind benefits received from government programs; thereby lowering incentive to find a job or work more.

<sup>7</sup> Warriner, Bill, *Canadian Social Policy Renewal and the National Child Benefit*, Saskatchewan Institute of Public Policy, The Scholar Series, University of Regina, Fall 2005, p.7

<sup>8</sup> Ibid.

income families was designed as a “portable benefit” in the sense that parents retain their supplement when they move off welfare into a paying job.

## 2.2 NCB Objectives

The National Child Benefit (NCB) has three goals:

- to help prevent and reduce the depth of child poverty;
- to promote attachment to the labour market by ensuring that families will always be better off as a result of working; and
- to reduce overlap and duplication by harmonizing program objectives and benefits, and through simplified administration.

## 2.3 NCB Components

As illustrated in Figure 1, the NCB has two components both targeted to low income families with children.

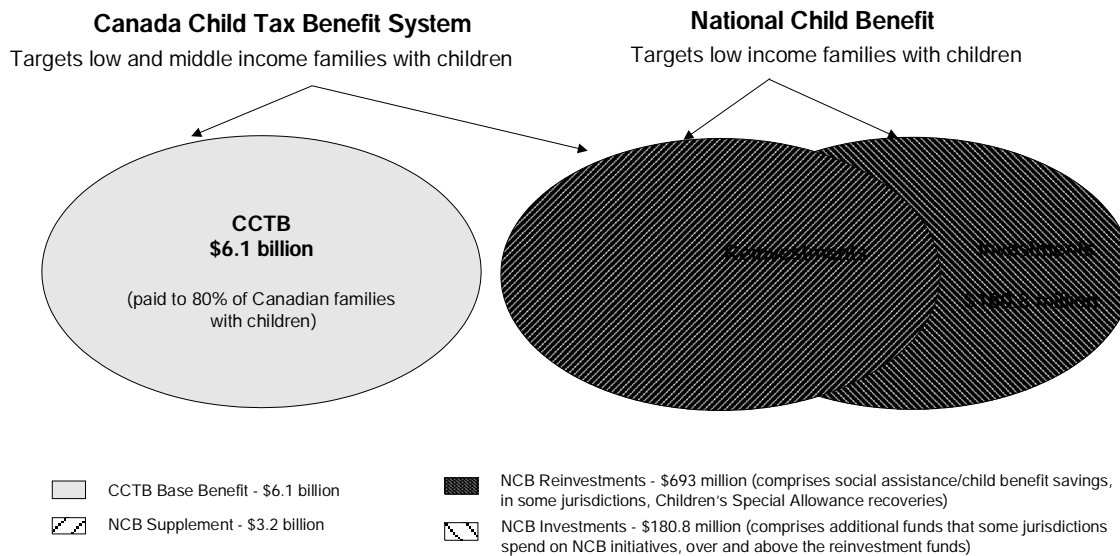
- There is a financial *supplement* to low income families over and above the federal Canada Child Tax Benefit received by many Canadian families. The intent is to supplement family income to overcome barriers to working and help them stay off income assistance. The NCB Supplement, estimated at \$3.2 billion in 2005/06<sup>9</sup>, gives low-income families additional child benefits on top of the Canada Child Tax Benefit base benefit.<sup>10</sup>
- At a province’s discretion, the NCB Supplement benefits could be integrated with provincial income assistance programs by deducting the NCB Supplement from income assistance payments dollar for dollar. The provinces, in return, were to use the funds saved from the income assistance payments to provide community programs to assist low income families and children and for provincial income supplements. The savings are also known as the NCB “*reinvestments*” and since then provinces/territories have added additional funds to these programs referred to “*investments*”. Total NCB reinvestments invested were estimated at 873.9 million in 2005/06, of which the First Nations portion on-reserve was estimated to be \$58 million.

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<sup>9</sup> The National Child Benefit Progress Report: 2006, released fall 2007.

<sup>10</sup> In 2005, New Brunswick and Manitoba, did not adjust income assistance benefits for children.

## Overview of NCB Components Estimates from 2005-06



**Note:** (\*) In 2005-06, First Nations investments and reinvestments on reserve were estimated to be \$58 million.  
**Source:** *The National Child Benefit Progress Report: 2006* (Fall 2007)

**FIGURE 1**

A number of provinces and territories are now providing child benefits outside of the income assistance system, so that families receive these benefits regardless of the parents' employment situation. Several provinces have restructured their income assistance systems so that they now provide child benefits to all low-income families with children, while benefits for adults continue to be provided through income assistance. As a result, families in these provinces keep their provincial child benefits—in addition to the NCB Supplement—when parents make the transition from income assistance to work. Several provinces/territories provide child benefits that top up the amount that families receive through income assistance in support of their children. In most of these cases, the provincial or territorial child benefit is combined with the federal CCTB in a single monthly payment, which is administered by the Canada Revenue Agency.

The intent was to help ensure that families would always be better-off as a result of working. They would not receive added financial assistance by remaining on income assistance nor be penalized by moving off income assistance. In the latter case, they would continue to receive the NCB Supplement in addition to any employment income. Thus, the adjustments were designed to counteract disincentive effects to entering the workforce.



## 2.4 The NCBR for First Nations

The following describes how the NCBR for First Nations on-reserve works.

### 2.4.1 Objectives and Activities

The NCBR for First Nations has the same objectives as the broader NCB initiative initiatives – reducing child poverty, improving efficiency in service delivery and supporting transition to work.

For the INAC NCBR, reinvestments have been aligned to some extent with the federal/provincial guidelines but there is added flexibility to allow for cultural programming and to recognize the diversity of traditions, needs, and opportunities among First Nations. First Nations NCBR programming also targets the whole community, not just low income families, and defines eligibility broadly.

Provinces/territories fund supplementary health benefits and early childhood programs while on-reserve these benefits are the responsibility of Health Canada and fall outside of the NCBR. Earnings supplements are also not part of the NCBR.

Specifically, First Nations communities apply for funding that falls under one or more of the following five NCBR activity areas:

- *Childcare* - Programs that enhance child care facilities to enable more low-income families to access space for their children;
- *Child Nutrition* - Programs to improve the health and well-being of children by giving them nutritious meals in school and nutritional education for their parents. This activity includes the delivery of food hampers for low-income families;
- *Support to Parents* - Programs to help parents give their children a sound start in life, including training in parenting skills and drop-in centres;
- *Home-to-Work Transition* - Programs intended to improve employment prospects, such as skills development and summer work projects for youth; and
- *Cultural Enrichment* - A broad category to teach traditional culture, provide peer and family support groups and bring together community elders, children and youth.

NCBR projects vary broadly in size and scope ranging from diapers for families in crisis and school breakfast programs, to job counselling and training programs. Many communities receive less than \$50,000 a year and fund 1 or 2 projects while others have large budgets and fund many program initiatives.

In addition to the above-mentioned activities, when a province or territory supplements the federal payment with additional funding, INAC commits to reimburse the portion which reaches low-income families on-reserve. For example, INAC reimburses Saskatchewan and Yukon for integrated payments to low income families with children who ordinarily reside in First Nations communities.<sup>11</sup>

## 2.4.2 Program Delivery

The administration of the NCBR involves a collaborative effort among INAC headquarters (HQ), INAC regions and First Nation recipients. Headquarters is responsible for program oversight, policy direction, the annual report, and to contribute to federal-provincial progress report. Regions are responsible for funding projects, review of proposals, and functional direction to communities, and compliance reviews and monitoring. First Nations are responsible for project design, submission of proposals, service delivery, monitoring project progress and meeting terms and conditions of their funding agreements

Program delivery varies among INAC regions. Some regions also integrate program delivery of the Income Assistance and NCBR programs, the following are examples:

- In British Columbia, INAC integrates delivery of NCBR and Income Assistance Program. One staff member is assigned to review proposals prior to approval while another staff reviews reports submitted at the end of each project. Funding Service Officers (FSOs) throughout the region are responsible for the disbursement of both NCBR and IA funding, and they also answer questions related to NCBR policy and procedures. The FSOs contact INAC's Intergovernmental Affairs Directorate when clarification is needed.
- In Alberta, INAC integrates delivery of the NCBR and Income Assistance programs. An officer is assigned to each of the three Treaty areas in Alberta for both programs. Their role involves providing support and guidance to First Nations in the use of their NCBR funding, in particular the types of activities and expenditures that are eligible for funding. This is done on a one on one basis, by year end meetings with the First Nations Social Development Directors within each Treaty area (done in two of the three areas) to review activities and share practices, and through First Nations attendance at national NCBR conferences hosted by INAC.

There is no NCBR in Manitoba and New Brunswick, as these provinces do not make adjustments to income assistance savings. Nova Scotia has recently adopted this approach.

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<sup>11</sup> INAC, *First Nations National Child Benefit Reinvestment Initiative*, Progress Report for the Year Ending March 31, 2005.

The actual amount of the NCBR funds is calculated on a regional basis, according to procedures and amounts by which provincial and territorial governments adjust to their income assistance rates because of the NCBS, and regions own resource allocation methods. The textbox below briefly describes some examples. The impact of various funding approaches is not known and it was beyond the scope of the evaluation to assess affect of the different allocation methods.

#### Examples regional allocations of NCBR funding

- In British Columbia, the NCBR total budget to determine each First Nation's allocation is calculated as follows: 25% is divided equally among eligible First Nations; 25% is allocated based on each First Nation's 2005 on-reserve population as a percentage of the 2005 total BC Region on-reserve population; and the remaining 50% is allocated based on each First Nation's 2005 on-reserve population aged 18 and under as a percentage of the 2005 total BC Region on-reserve population aged 18 and under.
- The initial allocation of NCBR funding to Alberta INAC Region was made in 1998, based on a \$20 reduction in the food allowance and reinvestment in the Child Tax Benefit. The savings accrued to the region in the food allowance remained with the region and were re-allocated to First Nations based on their Income Assistance caseload. The reinvestment savings level was reviewed and increased nationally in 2000, and a new level of funding allocated to each First Nation, based on the same formula. Since then, the funding level for each First Nation has remained unchanged.
- INAC Saskatchewan Region developed the NCBR funding level for each First Nation in 1998, based on the savings determined when the children's benefits were removed from the eligible income assistance reimbursements. The savings generated were reinvested in the First Nations communities through the NCBR program, based on the proportional number of children on-reserve which contributed to the savings. The Region also holds an annual District Banking Day (held prior to mid September). Through this process, First Nations may identify any NCBR funds that they will not use. These are pooled and other First Nations may make project proposals to access these funds.

First Nations are funded through two funding arrangements:

- Communities funded through a Comprehensive Funding Agreement (CFA), annual reimbursement of actual expenditures, must submit proposals for each project on an annual basis.<sup>12</sup> At the end of the fiscal year, First Nations submit a short report on each project (*NCB Annual Report on Reinvestment*), showing the actual amount expended, a narrative describing results, number of families, and number of children under age 18 who benefited. Reports are reconciled against the approved funding amount, and any over expenditures identified, if not resolved with the First Nation, are deducted from the final payment. The current reporting form does not ask for the initial allocation.
- First Nations funded through a Canada/First Nations Funding Agreement (CFNFA), a block-funded agreement of up to five years, are not required to submit proposed

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<sup>12</sup> First Nations use the *First Nations NCB Reinvestment Initiative Proposal Development and Reporting Guide*.

projects for approval but are required to submit the annual reports on each project that they implemented with their NCBR funding during the fiscal year.

### **2.4.3 How NCBR Works in communities**

Community approaches for identifying needs and designing projects varies. Key informants stated that most First Nations use a mixed approach where both political leaders and program staff identify needs and decide on relevant projects in which to invest NCBR funding. Some key informants believed that when the income assistance administrator was involved, there tended to be a stronger focus on home to work transition projects that aim to attach individuals to the labour market.

A wide variety of projects are supported. Many First Nation communities use NCBR funding to “top-up” or augment activities supported by other existing programs. A 2005 review conducted by INAC surveyed a sample of 37 First Nation and INAC administrators in five regions and the Yukon, and, in the context of harmonization, most respondents held the view that that NCBR funding is critical to ease pressure on various community programs and that, through “topping up” other programs, success is more easily attained.

The evaluation found that a number of program areas on-reserve are topped with NCBR funding, including programs in the area of health, employment and training, education, youth programming, basic needs (e.g., food, clothing and shelter), and cultural events.

### 3 Evaluation Findings

This section presents the main evaluation findings.

#### 3.1 Changes in Expenditures

Total NCBR expenditures remained stable over the past several years; however, as shown in Table 1, regional expenditures have changed markedly since 1998/99.

Region	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Atlantic <sup>13</sup>	1,000	2,100	3,000	1,549	991	757	3,908	2,574
Quebec	6,824	8,540	8,540	8,540	8,161	6,202	3,315	3,134
Ontario	2,700	3,500	5,218	7,355	8,118	7,344	8,856	9,168
Manitoba <sup>14</sup>	4,300	8,400	7,786	5,322	3,209	1,764	0	0
Saskatchewan	4,400	8,600	11,441	15,392	16,851	18,816	19,763	22,710
Alberta	1,700	7,000	9,667	8,566	9,757	10,174	9,423	10,080
British Columbia	2,300	3,470	4,324	4,174	5,973	6,269	6,919	6,604
Yukon	200	300	264	341	489	439	565	345
<b>Sub-total</b>	<b>23,424</b>	<b>41,910</b>	<b>50,239</b>	<b>51,239</b>	<b>53,549</b>	<b>51,763</b>	<b>52,748</b>	<b>54,615</b>
YK investment	0	240	240	240	240	240	240	240
SK investment	6,700	8,100	3,799	5,523	2,199	1,174	2,139	3,194
<b>Total NCB</b>	<b>30,124</b>	<b>50,249</b>	<b>54,228</b>	<b>57,001</b>	<b>55,988</b>	<b>53,177</b>	<b>55,127</b>	<b>58,049</b>

Source: First Nations National Child Benefit Reinvestment Initiative, Progress Report for the Year Ending March 31, 2005, and INAC departmental data.

Note: Some numbers may not add up due to rounding.

Overall, Saskatchewan Region accounts for a large share of the total First Nation NCBR expenditures (39.1% in 2005-2006). When provincial reinvestment is added to the INAC reinvestment, the Saskatchewan share was 44.6%. The majority of Saskatchewan's expenditures was on home-to-work transition projects, which represents \$12.1 million, about half of its NCBR expenditures and about 70% of the national total spent on this category in 2005-06.

<sup>13</sup> NCB activities for the Atlantic Region only include First Nations in Nova Scotia and Prince Edward Island. New Brunswick has no recovery mechanism, therefore has no NCB reinvestment dollars. Newfoundland has only one First Nation that does not report to INAC for these activities.

<sup>14</sup> As of January 2004, the Province of Manitoba opted to pay all children's benefits directly to families. Reinvestment funds are no longer available.

The Quebec region's participation in the NCBR has steadily declined from 17% to 5.4%. Ontario, British Columbia and Alberta have all shown steady growth in NCBR expenditures.

### 3.2 Changes in Program Activity

Program data indicate that 1,429 NCBR projects were carried out in 2005-06, the majority in British Columbia with 499 projects (35% of total), and 331 in Alberta (23% of total).

Fiscal year 2004/05 marked the first year that expenditures in Home-to-Work Transition activities exceeded expenditures for Cultural Enrichment activities. Table 2 provides a breakdown of expenditures by activity area over the past two years. For 2005-06, the three middle categories are the largest with the recent increase in funding to the Support to Parents Category.

There are also notable differences in the type of NCBR program activity funded by each region, including the following:

- As noted earlier, Saskatchewan spends the largest portion, with 70% of the national total spent on home to work projects followed by Alberta which accounted for 14% of home to work expenditures.
- Alberta region spent \$1.4 million on child/day care projects, about 40% of total NCBR expenditures in this category; and
- Three regions accounted for almost 80% of the total \$12.8 million on expenditures on child nutrition projects; these included: Ontario with expenditures of \$3.6 million, Saskatchewan with \$4.3 million and British Columbia with \$2.2 million.

<b>Category</b>	<b>2004 – 2005</b>		<b>2005 – 2006</b>	
	<b>\$000's</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>
Child/Day Care	\$2,320	4.4	\$3,246	5.9
Child Nutrition	\$12,450	23.6	\$12,762	23.4
Support to Parents	\$4,990	9.5	\$12,584	23.0
Home-Work Transition	\$17,500	33.2	\$17,102	31.3
Cultural Enrichment	\$15,460	29.3	\$8,919	16.3
<b>TOTAL</b>	<b>\$52,720</b>	<b>100</b>	<b>\$54,614</b>	<b>100</b>

Cultural Enrichment accounted for 30% to 50% of funding in early years but declined to about 16% in 2005-2006. The Child Care category is relatively small and accounts for just over 5% of expenditures, which may be due in part because the Aboriginal Human Resources Development Agreements fund child care through the First Nations and Inuit Child Care Initiative.

Noticeable in the above is a marked increase in funding to the *Support to Parents* category and a corresponding decrease to the *Cultural Enrichment* category. Data for earlier years (not shown) does not include reports from bands funded via CFNFA agreements.

The file review indicates that information captured in the *Cultural Enrichment* category was diverse and often seemed to better fit under other categories so it is possible that more accurate project reporting may explain some of the change.

### **3.3 Number of Beneficiaries**

Program data for 2005-06 indicate that a total of 226,566 families and 501,170 children on-reserve benefited from the NCBR Initiative. The data, which exceeds the total population on-reserve, over-represents the actual number of beneficiaries that benefit from the Initiative because in many cases First Nations include duplicate counts where a family and/or child has benefited from more than one service in the community.

The evaluation and previous studies of the NCBR on-reserve do however indicate that the reach of the NCBR goes beyond low income families with children to include income assistance recipients, individuals in need, school children, and youth.

### **3.4 Reported Project Outcomes**

The only sources of information regarding NCBR outcomes are project reports submitted by First Nations and stakeholder perceptions. There are no data regarding immediate or intermediate outcomes of the NCBR, such as improvements in employability, improved family situation, changes in poverty, improvement to child well-being.

A file review of NCBR projects (2006) examined a total of 327 annual project reports from 2004-05 for two regions (Ontario and Alberta) and provides an overview of the types of NCBR projects funded. The review examined 161 project reports from Ontario and 166 from Alberta. The following summarizes the findings according by program activity area:

- In both provinces, day care programs were the most cited projects for the *Child Care* category. In Ontario, the main result reported is that communities benefited from having access to daycare. For Alberta, reports stated that parents are able to participate in activities with their children and are more likely to successfully complete programs while their children are in daycare.

- *Child nutrition* is a considerable priority in each province accounting for 40% of NCBR funding in Ontario and 17% in Alberta. In both provinces, the large majority of projects were breakfast and lunch programs targeted at children. The main results reported are consistent in each province, including that children are fed healthy meals throughout the school year, attend school regularly, and are better able to concentrate and succeed in school.
- The *Supports for Parents* Category proved to be quite different than the brief description in INAC documents which emphasizes development of parenting skills and drop-in centres. However, the projects reviewed mostly related to direct funding assistance. In Ontario, the three main types of projects that supported parents included winter clothing, school supplies and Christmas baskets. In Alberta, the largest ‘Support for Parents’ project was the Christmas hampers.
- Ontario files showed very little activity in the *Home to Work Transition* category. In Alberta, the most numerous projects related to ‘*Home-to-Work Transition*’ are apprenticeship/training and employment programs. The apprenticeship/training programs provided recipients with various training for work experiences. While employment programs also provided training, they presented recipients with work experience, job opportunities, and a chance to increase their self-worth and self-esteem. A few reports stated that this led to a reduction in welfare dependency in their communities.
- *Cultural Enrichment* projects are considerably diverse. In Ontario, the most common projects included youth development and after-school activities. The main results reported on youth development programs are that children learned about their culture, customs, values and language. Reports stated that these programs also instilled children with a sense of pride for their culture, and allowed them to experience personal growth and development. The after-school activities are reported to have promoted a healthier lifestyle for children and their families as well as increased children’s self-esteem and confidence. The most popular projects in Alberta include cultural programs, holiday/community gatherings and youth programs. The main result stemming from the cultural programs is that projects are reported to increase cultural as well as self-awareness of participants. For example, holiday/community gatherings increased awareness and brought positive community/cultural support to the communities. Youth programs, moreover, were reported to promote positive communication, healthy lifestyles, self-awareness, team building and allowed children to gain confidence and lift their self-esteem.

The file review suggests that project reports provide information on immediate outcomes of NCBR projects, but limited insight on longer term outcomes such as a reduction in the incidence of poverty or increased attachment to the labour force. This is not surprising given many NCBR projects are small and work in tandem with other community initiatives.



Key informants in regions generally believed that the NCBR was a positive initiative. The comments of one respondent sum up widely held views:

*The program had a positive impact in terms of community-building, as well as strengthening the relationship between INAC and the communities. NCBR projects bring community members together and create linkages between elders and youth. They are also considered “feel good” projects that are oriented towards positive actions -- compared to simply financial supports to individuals.*

INAC is unable to determine the extent NCBR is used to top up projects (or individuals) funded by other programs but the sense is that top up is a common and useful approach to using the funds. Regions believe home to work projects mostly focus on job creation. This usage helps augment other programs to do things needed in the community like housing construction while providing productive jobs. Some home to work projects target single mothers, youth, and summer employment for students to help them develop employability skills.

### **3.5 Effective Practices in First Nations Communities**

The evaluation included case studies in three communities which were identified as having employed effective practices in implementing active measures in delivery of their local IA services and also as having effective NCBR activities.

Evaluators selected communities for study using criteria such as: significant spending on the NCBR projects; linkages between NCBR, Income Assistance and other programs; community size; and urban/rural representation. At the same time of the evaluation, the department also completed a study on active measures and their consultants visited many communities. Therefore, to avoid duplication, evaluators worked with regions to visit places that had not yet been contacted and which they could arrange within the evaluation's timeline.

The case study communities included Tsawwassen, Tsuu T'ina, and Carry the Kettle,<sup>15</sup> each briefly profiled in Figure 2.

#### **3.5.1 Reductions in welfare dependency rates**

All three communities have had some success in reducing welfare dependency rates in recent years. For example, Tsawwassen had a history of a high dependency on IA (40% dependency rate on IA was typical) but more recently, IA dependency has fallen to around 10%.

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<sup>15</sup> Carry the Kettle is under remedial funding and does not have the fiscal capacity to specifically allocate funds to active measures in its IA program.

<b>OVERVIEW OF NCB REINVESTMENTS CASE STUDY COMMUNITIES</b>			
	<b>TSAWWASSEN</b>	<b>TSUU T'INA</b>	<b>CARRY THE KETTLE</b>
<b>Community Profile</b>			
<b>Location</b>	Adjacent to Delta, British Columbia	Adjacent to Calgary Alberta	100 Km east of Regina, Saskatchewan
<b>On-reserve Population<sup>16</sup></b>	455	2500	794
<b>Unemployment Rate<sup>17</sup></b>	5.5%	7.4%	34.4%
<b>Economic opportunities</b>	Access to employment in nearby Vancouver	Access to band operated businesses and employment in Calgary	Access to band operated businesses; some travel to jobs in resource sector
<b>Welfare dependency rate<sup>18</sup></b>	7.3%	19.2%	25.9%
<b>NCBR funding and projects by activity area</b>			
<b>Total funding<sup>19</sup></b>	\$30,000	\$250,000	\$319,170
<b>Child Care</b>	None reported	Day care and child care fees	None reported
<b>Child Nutrition</b>	Healthy Habits (school lunch), Food bank Community Kitchen	Community Kitchen, Feast, Home economics, and Hot lunch fees	School lunch program
<b>Support to Parents</b>	None reported	Parent/Student resource centre, Young mothers group	Support for parents
<b>Home to Work Transition</b>	Help for individuals securing employment off-reserve, such as gas vouchers, clothing or equipment	Training in early childhood education Workshops on parenting, cultural activities, addictions Youth summer employment Transportation for individuals taking training or work	Life skills Youth Program Mentorship Program Student Enrichment Program to tutor students Youth Development/ Parental Aid Career Counselling Attachment to Workforce Training/Workshops for parents
<b>Cultural Enrichment</b>	Workshops in different areas	Range of activities, events, and classes	Community cultural events

FIGURE 2

<sup>16</sup> Data departmental data defines the total on-reserve population as the total registered population and non-registered population (Census 2001). INAC figures are for the year 2005-06.

<sup>17</sup> Data comes from the 2001 Community Profiles data on INAC's website (extracted December 11, 2007). Socio-economic indicators such as the unemployment rate are derived from special tabulations prepared for the Department by Statistics Canada from the 1996 and 2001 Census of Canada.

<sup>18</sup> From departmental data; figures are for 2005-06.

<sup>19</sup> Amounts self-reported by communities during site visits in August 2007. Figures for Carry the Kettle are for 2007-08 while Tsawwassen and Tsuu T'ina reported annual budget figures.

The case study communities have seen reductions in dependency rates in part because they have direct and indirect access to economic opportunities in Canada's western provinces which have booming economies, and due to practices they have put in place (Refer to textbox for example).

**Carry the Kettle has done several things to assist individuals move into the workforce:**

- It is a clear expectation and requirement of accessing IA that employable individuals will attempt to find work.
- The community has a well developed NCBR program which includes a work experience project and several projects to prevent individuals from falling into welfare dependency. Examples are projects oriented at young people and a mentorship project which assists individuals who move off-reserve for employment.
- Referral of individuals to the AHRDA for training opportunities, although limited to individuals with Employment Insurance eligibility.
- Availing of provincial funding for Adult Basic Education training.

The case study communities also recognize that who is left on their welfare rolls are individuals with multiple barriers to employment and hard to employ. Accordingly, they have made changes to their Income Assistance and NCBR programming to help these clients. Tsuu T'ina and Carry the Kettle are larger communities and have also targeted NCBR projects, in particular home to work transition activities, to help youth and implementing preventative activities to help them stay off welfare. Tsawwassen reported that increased high school completion rates have had a significant impact on welfare reduction.

The communities reported having the support of political leadership to make changes to social programming.

### **3.5.2 Integrated Program Delivery**

The communities also have to a large extent integrated delivery of IA and NCBR and employment and training programs funded through the Aboriginal Human Resources Development Strategy (AHRDS). There are also linkages with other programs including training programs from community colleges, the INAC's Work Opportunity Program, INAC's family violence funding, Health Canada programs, schools, etc. The three case study communities also have competent and professional staff able to identify individual needs and make referrals to appropriate services.

Tsawwassen First Nation has implemented an integrated approach to service delivery including liaisons with the AHRDA and VanASEP<sup>20</sup> and links between IA and NCBR.

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<sup>20</sup> An Aboriginal Skills and Employment Partnership (ASEP) project in Vancouver which seeks to place Aboriginal people in the booming construction industry.

The integrated service delivery approach includes the delivery of NCBR programming. Health and social services, education and skills development, language and culture, and AHRDA programming are all delivered by staff working together in the same building. The Social Development officer is usually the first point of contact for clients. After an initial assessment to determine how best to assist the individual, clients are then referred to the appropriate program/staff.

### **3.5.3 Variety of Projects funded**

The number and scope of projects varied among the three communities. Tsawwassen is a small First Nation with a small budget for NCBR and reported a few projects in the areas of child nutrition, cultural enrichment and home to work transition. Tsuu T'ina and Carry the Kettle are larger communities and reported funding a number of projects. For example, Carry the Kettle reported a total of 13 projects, eight of which were in the home to work transition category. Tsuu T'ina reported a long list of projects in all five NCBR categories. All three communities provided some funding to help low income individuals and IA recipients transition into the workforce.

Carry the Kettle home to work transition projects focussed on youth and included the following:

- life skills for grades 6 to 12 and an after school youth program that included life skills and recreational activities;
- a mentorship program for school leavers;
- the Student Enrichment Program to tutor grade 9 to 12 students so they are encouraged to stay in school;
- career counselling for high school students;
- workforce attachment such as wages to help individuals get work experience;
- workshops for low income families to help them develop independence and prepare for employment, including workshops for youth on parenting.

Tsuu T'ina had a variety of projects including training in early childhood education, babysitting, life skills, and CPR. The NCBR also funds a variety of workshops on parenting and dealing with addictions. The community also funds a number of youth summer employment positions so they can gain work experience. The community also provides funds for transportation for individuals taking training or work

All three communities funded a range of cultural enrichment activities. For example, Tsuu T'ina funded the following: Camp; Smoke House; Round dances; Women's Day; Beading and Language classes; and Elders storytelling. Tsawwassen funded workshops on activities such as drum making, story-telling and medicine.

### **3.5.4 Results**

Communities did not track NCBR outcomes or provide any data to demonstrate results. Key informants believed that overall NCBR projects had a positive impact on individuals that secure low paying employment and provide a range of supports that can reduce the impact of poverty. Some other observations included the following:

- Paying Child care fees has been effective and responds to an identified difficulty in the community.
- Child nutrition projects encourage children to stay in school and perform better while in school. This contributes, at least in part, to the improvement in high school completion statistics seen in recent years.
- Vouchers, school supplies, lunches for children, etc. all serve to help reduce the “cost” of going to work and help ensure that clients are better off working. This, in turn, helps prevent individuals from returning to income assistance.
- Transportation funding has been helpful in overcoming difficulties that have hampered individuals from taking jobs (or training) off-reserve.

Tsuu T’ina Nation has learned that short term programs which were the norm in the past do not work as participants have a lot of issues that cannot be dealt with quickly – self-esteem, social issues, drug and alcohol addictions, family violence, and parenting skills. They recognize the need for more holistic and long term interventions but have not yet developed the capacity to implement this. One option suggested was that they try to target a more limited number of families with intensive programming rather than try to help large numbers. They recognize that more collaboration with other programs such as community wellness (health centre), the spirit healing lodge, treatment centre, and the museum (cultural programs) are needed and are working towards this.

Carry the Kettle community representatives believed the NCBR program benefited from several factors:

- Initial program development was based on extensive community consultation and based on identified needs;
- The leadership of the NCBR provided by the IA Administrator in the community who has been in the position for several years and is well regarded in the community and by INAC officials;
- Continuity in project staffing; and
- Quarterly monitoring of projects and reports to Band Council.

### **3.5.5 Summary**

Case study communities offer several lessons learned and effective practices:

- Communities offered a range of projects to target specific needs.

- There is recognition of the distinction between individual clients that are job ready or employable and those with multiple barriers that are harder to employ. Similar to provinces, communities are focusing efforts on the latter group.
- Links exist between the NCBR, the Income Assistance Program and other relevant programs such as employment and training programs offered through the AHRDAs.
- There is some level of integration between the Income Assistance Program and the NCBR, as well as other programs.
- There is some assessment of community needs and support from local leadership for NCBR projects.
- Communities have effective welfare or social development coordinators that are aware of the range of programming required to help individuals transition to work

### **3.6 Program Guidelines**

Up to this past year, the regional role was mainly to roll-up the project proposals and send these to Ottawa. Some regions are now implementing a more structured review process. However, because of the lack of clear guidelines regarding what specific things can be funded in each of the five broad categories, some regional staff said they have often received weak proposals in the past which has necessitated going back to First Nations for revisions. This has sometimes led to projects not being approved until November or December for a one year project.

Some respondents mentioned that recreation activities, transportation, and clothing purchases are not eligible under NCBR.

INAC Saskatchewan Region in 2005-06 completed a review of NCBR activity based on annual project reports<sup>21</sup> and identified a number of issues of concern. The first issue was reporting: at the time of the analysis, 30% of the funds allocated (15% of projects) had not been reported on by First Nations (reports have since been received on the majority of these). The review also identified a number of ineligible costs (e.g. recreation, direct subsidies to parents, exceeding the 15% administration fee ceiling). Subsequently, the region refined its Social Development management regime (guidelines for program management) in 2007-08 to provide more specific guidelines to First Nations on NCBR as part of the move of the region to active measures. The guidelines set out the intent of each category and more clarity on types of eligible costs, and also include percentage targets for each of the five NCBR categories. Home to Work Transition has been given a target of 43% of program funding allocated by each First Nation. A ceiling of 15% has been set on administration costs.

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<sup>21</sup> \_\_\_\_\_. NCBR Roll-Up 2005-06. Undated.

### 3.7 Monitoring

INAC has very limited information on the NCBR Initiative. Project reporting by communities is done on an annual basis. Information provided is essentially a description of the projects and identification of numbers of families and children benefiting from the project. Because these counts are project-based and not aggregated to a community level, there is extensive double-counting.

Regional offices have been more active in providing direction to communities on the nature of projects which link best to NCB objectives. In 2005-2006 there has been a substantial reduction in funding allocated to *Cultural Enrichment* projects and a corresponding increase in *Support to Parents* projects. Nevertheless, the Department has not been active in providing guidance at a project level as to how projects might be improved and/or respond better to community needs. Several regional officials identified the need for more monitoring including community visits. An alternative approach would be for the Department to work with external organizations which could provide this guidance to communities.

The administrative burden of a project-based approach requiring applications and end-of-project reporting was noted by informants, recognizing that the projects can range from a few hundred dollars to hundreds of thousands of dollars. They stated this reflects the flexibility of the program and some believed a common template for reporting on very different projects was not helpful.

They also noted that annual reports almost always concluded that the project had accomplished what the proposal had said it would. However, for many projects, in particular small ones, evaluative information beyond that may not be warranted. Some INAC regional staff indicated that NCBR reports are not currently reconciled with project proposals and felt this would be a useful activity.

The National Manual developed by INAC, which provides INAC employees with NCBR history, objectives, eligibility criteria and key definitions, alludes to results like “fewer” families in a low-income situation, “higher” disposable income and a decline in the income assistance caseload for families with children.<sup>22</sup> While work on a performance measurement strategy for INAC social development and individual programs is ongoing, presently there are no clear performance expectations outlined for the NCBR for First Nations.

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<sup>22</sup> National Manual, p.14.

## 4 Lessons from other jurisdictions

The following section identifies some lessons learned from the experience off-reserve.

### 4.1 Insights from the International Experience

The evaluation literature review sought to identify effective ways other jurisdictions use to attach individuals and families to the labour force and to reduce poverty. The intent was to provide insights regarding the effectiveness of INAC's NCBR in achieving similar objectives. The NCB and much of literature is based on the assumption that attaching parents to the workforce will enable them to become self-sufficient and lead to better outcomes for children, the ultimate being a reduction in child poverty. The literature indicates that reality is more complex.

Some key observations from the international literature include the following:

- Poverty, rather than welfare dependency, is a predictor of risk in a child's life.
- Parental work appears to yield better outcomes for children only when it results in additional financial resources for the family.
- Child poverty has been reduced in both the United Kingdom and the United States and there is evidence that welfare-to-work initiatives have played an important role in these achievements.
- Greater effectiveness in reducing child poverty in the United Kingdom (relative to the United States) has been attributed by some to the specific targeting of child poverty in the United Kingdom.
- There is evidence that initiatives to promote parents' attachment to the labour market have to be supported by a range of financial supports and in-kind services to help them with the cost of going into employment, including quality child care services that are accessible to poor families.

In the case where programs provided additional support services such as childcare subsidies, transportation allowances, and some limited form of case management along with the more work-first requirements or incentives, there is evidence that these services were necessary to overcome some of the barriers faced by participants.

- Although programs that raise the incomes of poor families may provide benefits to children, children in these families still tend to lag behind expected norms for positive child development. Various early childhood educational policies are



advocated in the literature to reduce poverty in the long term by promoting children's development and enhancing their life prospects.

- Targeting children living in poverty via educational strategies may be more effective in addressing child poverty than targeting parents. Examples cited include: better schools in poor neighbourhoods; improved accountability (of schools) for growth in children's skills; better programs for students who do not do well in the typical high school setting; and structured out-of-school activities for adolescents that provide supervision, adult role models, and pro-social peer networks.
- More emphasis is needed on promoting attachment to the labour force through earning supplementation schemes. This is an important component in Provincial and Territorial Reinvestments but not in those for First Nations.
- The empirical literature shows that initiatives to enhance labour market participation are only effective for individuals who are job ready. For others, it is more effective to address their employment barriers.

## **4.2 Provincial and Territorial Programming**

Provinces and territories fund a range of programs through the NCB reinvestment components. Table 3 provides an overview of the activity categories funded by provinces and territories and what percentage of funding is spent in this area.

In recent years, child care initiatives are the most significant provincial / territorial expenditures followed by early childhood and children at risk programs. Provincial/territorial reinvestments focus in areas broadly defined by the literature as being important.

The evaluation has identified several differences with Provincial and Territorial programming.

### *Cultural Enrichment Projects*

This category of projects is unique to First Nations. In the early years of INAC's NCBR Initiative, the category accounted for over 50% of funding. This has reduced steadily over the years and these projects accounted for 29.3% of funding in 2004-2005 and 16.3% of funding in 2005-2006. Based on file reviews in two provinces, many of these projects are actually structured programs for youth and adolescents. The literature indicates that these projects can be very effective. On balance, it appears that the value from projects in this category is improving over time and offers additional potential. Consideration should be given to: acknowledging the importance of cultural appropriateness in all categories of projects; and, changing the current *Cultural Enrichment* category to Children and Youth at risk.

<b>Table 3 - Provincial and Territorial NCB Reinvestments and INAC Program Focus</b>				
<b>Category</b>	<b>Purpose /focus</b>	<b>Average % spent on category</b>	<b>INAC focus</b>	<b>Average % on category</b>
Child/day care initiatives	<ul style="list-style-type: none"> <li>allows low-income parents to enter and stay in the labour market</li> <li>provide in a variety of forms in jurisdictions (e.g. subsidies to child care facilities, direct assistance to families, or combination).</li> </ul>	<b>25 – 30%</b> <sup>23</sup>	Child care projects most prevalent in Alberta	Past two years between 4.4-6%
Child benefits/earned income supplements	<ul style="list-style-type: none"> <li>provide financial support to low-income families through monthly cash payments to parent or guardian of child</li> <li>eligibility typically tied to earning a certain minimum employment income</li> <li>to improve financial stability of low-income families by helping subsidizing low wages that often come with entry level jobs</li> <li>support parents to stay in labour market and work toward higher wages</li> </ul>	28.7% in 2002-2003 dropping to an estimated <b>16.8%</b> in 2005-2006	Home to work transition projects (include work experience, wage subsidies)	Past two years 31-33%
Supplementary Health benefits	<ul style="list-style-type: none"> <li>benefits that go beyond basic Medicare coverage, such as optical care, prescription drugs, dental care or other benefits.</li> <li>some provinces/territories provide benefits to all children in low-income families so they do not lose important health benefits for their children when they move from income assistance to the labour market.</li> </ul>	<b>5%</b> (Approximately 45% attributed to Alberta's Child Health Benefit)	Not funded, these benefits fall under Health Canada's First Nation and Inuit Branch	0%
Early childhood/children-at-risk programs	<ul style="list-style-type: none"> <li>early support to children in low-income families optimize child development and give young children a healthy start in life</li> <li>range from prenatal screening to information on mother and child nutrition and parenting skills, and, early literacy classes and recreation programs</li> </ul>	last four years averaging between <b>15 - 20%</b>	Includes categories child nutrition and support to parents	total 33%-46% (Child nutrition-23% and support to parents 10% to 23%)
Youth Initiatives	<ul style="list-style-type: none"> <li>range of benefits and services designed to assist and support youth, with particular attention to youth-at-risk</li> <li>alcohol and drug strategies to transitional support for youth leaving child welfare</li> </ul>	comprise slightly less than <b>5%</b>	Not funded	0%
Other	<ul style="list-style-type: none"> <li>flexibility to address particular challenges facing their jurisdictions</li> <li>range from early intervention and child care to employment supports and prevention programs</li> </ul>	<b>15%</b> over each of past four years	Cultural enrichment encompasses a range of projects	Past two years dropped from 29% to 16%

<sup>23</sup> Approximately 64% of funding in this category is for Ontario Child Care Supplement for Working Families.

### *Child Care*

In First Nation communities, only a small portion of NCBR funding is allocated to child care programs. In 2005-2006, \$3.25 million (5.9% of total NCBR spending) was spent in this category. In contrast, provincial/territorial child/day care programs accounted for the largest share of all NCB Reinvestments and Investments and comprised an estimated \$275 million in 2005-2006 which is 31.7% of the total spend under NCBR for provinces, territories and First Nations.

Consideration should be given to consulting with First Nation communities and other partners responsible for child care on-reserve as to the barriers in developing child care and how NCBR funding could be more fully utilized in this area. Lack of access to adequate child care is an important barrier to employment in many First Nation communities.

Child care on-reserve is funded in large part through other programs outside of the NCBR for First Nations. The First Nations and Inuit Child Care Initiative (FNICCI) is a component of the Aboriginal Human Resources Development Strategy (AHRDS). The Initiative provides access to child care services of parents entering the labour market or who have entered into a training program. FNICCI is a \$50M program which supports over 7,000 child care spaces in 407 First Nations and Inuit communities across Canada.<sup>24</sup>

Provincial funding is available through agreements between INAC and Ontario and Alberta. FNICCI and INAC funds are pooled at the community level. INAC funds over 800 on-reserve day care spaces in Alberta at an annual cost of \$2.7M. In addition, Alberta bills INAC for day care services provided to children who are ordinarily resident on-reserve but access day care services off-reserve, this cost was \$682,000.<sup>25</sup>

### *Earning Supplements*

Earning supplements are an important component of NCB Reinvestments in Provinces and Territories and do not exist in First Nation communities. The literature indicates that these supplements are important in allowing parents to leave welfare and accept work. This is especially the case if parents have low education and limited work experience and thus are likely to find work at low wages. Since these characteristics are more common in many First Nation communities, earning supplements would appear to be of particular merit in First Nation communities.

### *Early Childhood Services and Children-at-risk Services*

This is an important part of Provincial and Territorial Reinvestments but is not included in INAC's NCBR. This has not been examined in detail by the evaluation but it would

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<sup>24</sup> HRSDC, [www.hrsdc.gc.ca/en/employment/aboriginal\\_employment/childcare/initiative.shtml](http://www.hrsdc.gc.ca/en/employment/aboriginal_employment/childcare/initiative.shtml), retrieved November 16, 2007.

<sup>25</sup> INAC, [www.ainc-inac.gc.ca/ps/ecde/aor\\_e.html](http://www.ainc-inac.gc.ca/ps/ecde/aor_e.html), retrieved November 16, 2007.

appear that many of the services provided or funded by Provinces and Territories in this category are supported by Health Canada in First Nation communities.

### *Supplementary Health Benefits*

This is an important part of Provincial and Territorial Reinvestments but is not included in INAC's NCBR. The services provided or funded by Provinces and Territories in this category are supported by Health Canada in First Nation communities.

### *Child Nutrition and other Poverty Supports*

Child nutrition projects account for a large share of total NCBR spending in First Nation communities. For 2005-2006, expenditure in this category was \$12.7 million (23.4% of total spent). NCBR projects in First Nation communities provide breakfast and lunch programs to children; support community food banks; provide Christmas hampers and other financial supports to poor families. Initiatives of this type are not included in Provincial and Territorial Programs. The voluntary sector tends to provide these services and supports off-reserve and such a sector is not prominent in First Nations communities.

While the NCBR Working Group Research Report noted that "nutrition programs have demonstrated only small effects on child outcomes," their research does note that: "Nutrition programs reduce the depth of child poverty by providing for one of the basic necessities of life, and by freeing up financial resources for other needs." They also note that: "it is possible that nutrition programs have a larger positive impact on physical child outcomes or that they also have an impact on learning readiness outcomes."

## **4.3 Effective NCB reinvestment initiatives to combat poverty**

The Federal/Provincial/Territorial NCB Working Group published a report in 2005<sup>26</sup> which examined benefits and services available to low income families and their effectiveness. The study reports the following types of in-kind benefits and services were demonstrated to improve child outcomes by a) preventing or reducing the depth of child poverty and/or b) promoting labour force attachment by ensuring families are always better off as a result of working.

- *High quality developmental or educational child care or preschool programs* have a strong positive impact on several child outcomes, including learning readiness, social engagement and competence, and smart risk taking. These in-kind services reduce poverty by providing developmental experiences for children that families might otherwise be unable to afford, and freeing up family resources for other needs. They also prevent poverty in the long run by enhancing children's skills. They ensure families are better off as a result of working because parents do not need to allocate a substantial portion of their earnings for child care while they are at work.

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<sup>26</sup> *In-Kind Benefits and Service: Research Report*, Federal/Provincial/Territorial National Child Benefit Working Group, February 2005.

- *Affordable housing* prevents homelessness, which is associated with negative child outcomes. Adequate housing improves physical, learning readiness and secures attachment outcomes. Both ‘bricks and mortar’ subsidies and rent subsidies help ensure that there are sufficient rental units available and that families can afford to pay the rent. These in-kind benefits reduce poverty by providing for one of the basic necessities of life in Canada, and freeing up family resources for other needs. They ensure families are better off as a result of working because parents need not fear losing their housing subsidies when leaving income assistance.
- *Supplementary health benefits* have a positive impact on physical child outcomes which may in turn impact learning readiness. These in-kind benefits reduce poverty by providing medical care that families may otherwise be unable to afford, and freeing up family resources for other needs. They ensure families are better off as a result of working because parents need not fear losing their health benefits when leaving income assistance.
- *Structured programs for children and youth* have a positive impact on all types of child outcomes, depending on the nature of the program. These in-kind services reduce poverty by providing recreational opportunities necessary for social inclusion that families might otherwise be unable to afford, and freeing up family resources for other needs.
- *Nutrition programs* have a small positive impact on physical child outcomes. These in-kind services reduce poverty by providing for one of the basic necessities of life, and freeing up family resources for other needs.
- *Integrated employment services* may have an indirect positive impact on child outcomes through the reduction of poverty. These in-kind benefits services reduce the depth of a family’s poverty by increasing wages and income. They ensure families are better off as a result of working because they include income benefits during the initial period.

The following types of programs were not found to improve child outcomes:

- Parenting supports, unless accompanied by direct programming for children.
- Unregulated child care’s impact depends heavily on quality of care; poor quality care is associated with negative learning readiness and social engagement as well as competence outcomes, particularly for the most vulnerable children.
- Short-term and long-term employability supports (aside from integrated employment services) do not provide evidence that they improved child outcomes.

Of the six programs that were found to improve child outcomes, the researchers determined that two were of little interest since, in their words: “integrated employment

services were beyond the mandate of NCB, and nutrition programs have demonstrated only small effects on child outcomes.”

Guiding principles were identified for each of the four other in-kind benefits and services. Since Affordable Housing and Supplementary Health Benefits are not provided by NCBR projects in First Nation communities, the guiding principles for only two of these are described below.

- *Developmental Child Care or Preschool Programs* - “All children can benefit from early childhood programs such as child care and preschool. Children receiving high quality care develop improved cognitive and social skills. Children whose mothers have low levels of education benefit the most, regardless of whether their parent(s) are working or at home. Poor quality care is associated with poorer cognitive, social, and behavioural skills, with the greatest negative impact on already-vulnerable children.”
- *Structured Programs for Children and Youth* - “Structured after-school and summer programs for children and youth can have a positive impact on various types of child outcomes: after-school programs tend to improve academic performance and social competence; athletic programs (with the exception of programs promoting extreme levels of physical activity) have positive effects on physical health and wellness; and community service programs seem to have a positive impact on many types of youth outcomes, including pregnancy rates, academic performance, and anti-social behaviour.”

## **5 Conclusions and Recommendations**

The following are evaluation conclusions and recommendations.

### **5.1 Conclusions**

#### *Relevance*

The National Child Benefit is a major federal social policy that includes both an income supplement to directly assist low income families by making sure it is more paying to work than to be on welfare, and investments in programs to support families and children. The intent was that all the NCB components would work toward achieving the objectives of reducing poverty and increasing attachment to the labour force. INAC's NCB initiative works independently of the national Initiative.

The Department has no information on what role NCB supplements play on-reserve. In effect, the NCB for First Nations alone cannot achieve the broad objectives set out for it, objectives which are also influenced by factors such as economic and employment opportunities, and early childhood educational policies and other strategies to address poverty, in particular child poverty.

In the context of INAC programming which may in the future focus on active measures that further supports individuals to transition to work, the NCB supplement and other earnings benefits will increasingly become important to help income assistance leavers maintain employment and keep them from returning to income assistance. Therefore, it is important for INAC to have a sense of how these affect families and IA and NCB programming.

#### *Program Effectiveness*

The NCB funds a range of diverse projects. NCB funds projects that provide basic needs and services for low income families on-reserve, examples include funding to individuals to buy food, clothing, to pay for transportation to get to work. The Initiative also helps attach individuals to the work force, often augmenting programs funded through the Aboriginal Human Resources Development Strategy or INAC Work Opportunity Program. Finally, NCB is often a "top up" for a range of social programs generally geared toward improving the well-being of families and children, and, at times, the broader community.

NCB guidelines are broad and allow First Nations flexibility to address families' needs and helps alleviate gaps and shortages in other program areas. Some communities fund many projects with small amounts of money that "top up" existing programs. The effectiveness of NCB programming under these circumstances becomes impossible to ascertain.

Regions and First Nations representatives suggested that NCBR needs to broaden the scope of activities funded and to make the program guidelines clearer. However, watering down funding into even more categories and types of projects will make it even harder to achieve results. Therefore, it is more important for INAC to prioritize which activities NCBR should fund and to focus on the most important ones. The literature and the provincial/territorial experience offer a number of insights on which areas to pursue, including child care, and structured programs for children and youth, in particular those at risk.

### ***Success***

An evaluation of the overall federal/provincial/territorial NCB (2005) effort through simulation studies concluded progress has been made in reducing child poverty. The evaluation led by Human Resources and Social Development Canada also found that a lack of comprehensive provincial/territorial data on investment and reinvestment, and the inability to link program participation to intended NCB outcomes, greatly limits analysis of impacts.<sup>27</sup> INAC's NCBR faces this same problem.

The NCBR for First Nations has been able to achieve immediate outcomes such as relieving hardship faced by low income families and the larger community by reducing the negative impacts of poverty. It was not set up as the national Initiative to supplement incomes which is a large factor in reducing poverty. In addition, many other factors on reserve affect poverty, such as employment opportunities and educational attainment. The NCBR as designed and on its own is not positioned to reduce the depth of poverty as envisioned by the NCB.

Increasingly, First Nation communities are funding projects that help individuals make the transition from welfare to work or to gain work experience and skills to remain in the work force and move toward career advancement. While impact data in terms of the number of individuals that actually became attached to the labour force is not available, many communities use part of their NCBR project funds to help individuals move toward work.

The NCBR acts as a bridge to bring other funding together and works in concert with Aboriginal Human Resources Development Agreement, the Work Opportunity Program, the Training Employment Support Initiative, and the Aboriginal Social Assistance Recipient Employment Training agreements to provide active measures to varying extent in many communities.

Case study communities are focussing on individuals that are hard to employ and paying more attention to youth in the hope of preventing individuals from becoming dependent on income assistance and to tackle poverty by helping young people succeed thereby

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<sup>27</sup> Federal, Provincial and Territorial Deputy Ministers Responsible for Social Services, *Evaluation of the National Child Benefit Initiative, Synthesis Report*, revised February 3, 2005.



better positioning them to go on to higher education or to find employment which combat poverty.

The literature says reducing poverty and putting families in a better financial position also requires additional financial assistance, and other strategies, such as early childhood education policies and educational strategies that target children not solely their parents.

There are no performance data but anecdotal and stakeholder views are that NCBR makes a difference on-reserve. Existing data do not allow for an assessment of trends. As was also noted by the Auditor General of Canada in 2004, INAC needs to develop an effective performance measurement strategy that provides project details, insights on the characteristics of families and children helped, and outcomes of the various types of projects are important. There should be consistency and coordination in developing performance indicators for both the NCBR and IA programs as these two programs are linked and in large part serve the same clientele.

### *Alternatives*

Given the scarcity of departmental resources to renovate social development programs, INAC needs to better link and integrate IA and NCBR programming at the regional and community levels to achieve efficiencies and to better coordinate services and programs for low income individuals, families and children.

The evaluation proposes several strategies for improving the effectiveness of the NCBR Initiative for First Nations, including the following:

- Community planning is key to coordinating and identifying where NCBR fits in a range of supports available to income assistance recipients and low income families.
- It is important to refocus projects and place emphasis on programming that will address barriers to employment and reducing poverty.
- Coordination and better links between INAC's NCBR and the IA programs, and those of other government departments.

## **5.2 Recommendations**

It is recommended that Indian and Northern Affairs Canada:

1. review the five NCBR activity areas to assess to what extent they are in line with provincial/territorial practices and priorities identified in the literature, and determine what mix of activity areas would be most effective for achieving desired results on-reserve;

2. strengthen the NCBR guidelines so that they provide sufficient guidance and help communities to focus on a plan to target only key activities that work toward reducing poverty and attaching people to the labour force;
3. work with Human Resources and Social Development Canada and the Canada Revenue Agency to determine the relevance and impact of other NCB components on-reserve;
4. strengthen linkages and enhance coordination among the NCBR, IA, and other INAC and departmental programs that provide a range of active measures and other supports for low-income families; and
5. develop an NCBR specific performance measurement strategy and monitor its results on an ongoing basis, and modify the NCBR reporting template accordingly to ensure it captures information on outcomes.

# ACTION PLAN

## Action Plan

**Project Title:** Evaluation of the National Child Benefit Reinvestment  
**Project:** 05/14  
**Region or Sector:** Social Policy and Program Branch

Recommendations	Actions	Responsible Manager (Title)	Planned Implementation Date
1. Review the five NCBR areas to assess to what extent they are in line with provincial/territorial practices and priorities identified in the literature, and determine what mix of activity areas would be most effective for achieving desired results on-reserve.	<ul style="list-style-type: none"> <li>- The Headquarters NCBR team will conduct research and analysis and continue working with the Regions and HRSDC to compare on-reserve with off-reserve programming to determine the best mix of activity areas to meet overall objectives.</li>   <li>- The Headquarters NCBR team will organize a National NCBR conference with Regions and First Nations NCBR administrators to better define the scope of activity areas in order to achieve desired results. This will also be an opportunity to increase networking and showcase projects and best practices that are in line with the Initiative's objectives.</li> </ul>	Director, Social Program Reform Directorate	On-going (February 2009)  November 2008
2. Strengthen the NCBR guidelines so that they provide sufficient guidance and help communities to focus on a plan to target only key activities that work toward reducing poverty and attaching people to the labour force.	<ul style="list-style-type: none"> <li>- The Headquarters NCBR team will continue to consult and work in collaboration with the Regions to review and update the First Nations NCBR National Manual so that it better defines projects and activities that work towards program objectives.</li> </ul>	Director, Social Program Reform Directorate	Fiscal year 2009/2010
3. Work with Human Resources and Social	<ul style="list-style-type: none"> <li>- The Headquarters NCBR Team will set up a</li> </ul>	Director,	March 2009

## Action Plan

**Project Title:** Evaluation of the National Child Benefit Reinvestment

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Recommendations	Actions	Responsible Manager (Title)	Planned Implementation Date
Development Canada and the Canada Revenue Agency to determine the relevance and impact of other NCB components on-reserve.	consultation process with HRSDC, CRA and SC to determine what impact results the NCB supplement has for First Nations on-reserve. Specifically for INAC, identify what data already exists and where there are gaps in data.	Social Program Reform Directorate	
4. Strengthen linkages and enhance coordination among the NCBR, IA, and other INAC and departmental programs that provide a range of active measures and other supports for low-income families.	- The Headquarters NCBR team will consult and work with other INAC programs such as Income Assistance, Education, Economic Development and other social programs to develop a plan to identify how NCBR projects can be coordinated with active measures programming and other supports for low-income families.	Director General, Social Policy and Programs Branch	February 2009
	- Continue to work with NCBR partners at the federal, provincial and First Nations levels to promote and inform them of active measure initiatives, how to access them and how to link them to NCBR activity areas.		February 2009
	- Build on/strengthen existing partnerships and improved program coordination with Aboriginal Human Resource Development Agreements aimed at helping income assistance clients make the transition from welfare to employment.		On-going
5. Develop an NCBR specific performance measurement strategy and monitor its results on an ongoing basis, and modify the NCBR reporting	- The Headquarters NCBR team will continue to work in consultation with Regions to improve data collection, tracking of results and reporting	Director General, Social Policy	December 2008

## Action Plan

**Project Title:** Evaluation of the National Child Benefit Reinvestment  
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Recommendations	Actions	Responsible Manager (Title)	Planned Implementation Date
template accordingly to ensure it captures information on outcomes.	<p>templates.</p> <ul style="list-style-type: none"> <li>- Develop a RMAF with clear performance measures, result indicators and targets aimed at reducing child poverty and promoting the attachment of families to the workforce.</li> <li>- Strengthen the management control framework in order to establish clearer roles and responsibilities for Headquarters and the Regions.</li> </ul>	and Programs Branch	<p>September 2008</p> <p>March 2009</p>