

VETERANS AFFAIRS CANADA

Evaluation of Veteran and Family Well-being Fund

REPORT

June 2023

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Executive summary

Program profile

The Veteran and Family Well-Being Fund (the Fund) was created in 2018 to fill a perceived gap in supporting innovation and research for Veteran health and well-being. Prior to establishing the Fund, Veterans Affairs Canada (VAC) regularly received requests from organizations to support research and/or the development of programs and services for Veterans and their families but had no mechanism to contribute financially to these requests. The intent of the Fund is to provide financial support to organizations that conduct research and/or develop/implement innovative programs and services intended to improve the health and well-being of Veterans and their families.

The Fund is structured to provide both grants and contributions. Approved grant projects can receive up to \$500,000 per fiscal year for a maximum of three years and approved contribution projects can receive up to \$1 million per fiscal year for a maximum of five years. The Fund is allocated \$3 million annually. However, the Fund's budget has been supplemented with additional temporary funds since 2019-20. To date, the Fund has received 509 applications and awarded over \$36 million to 102 projects.

Evaluation purpose and background

The evaluation was conducted from April 2022 to March 2023 and covered the period from 1 April 2018 to 31 March 2022 (though more current information and statistics are represented in this report when possible). The evaluation was conducted in accordance with Treasury Board of Canada's *Policy on Results*. This is the first evaluation of the grant and contribution program since its inception. The evaluation focused on program relevance and effectiveness. An internal audit was completed in 2020, which had numerous recommendations around efficiency. At the time of the evaluation there were recent and ongoing changes to Fund processes, tools and supports. Where appropriate, the evaluation highlighted early findings with regards to these changes.

Evaluation findings

The evaluation found that there is a continued and ongoing demand for program funding from organizations to support initiatives targeting Veterans and their families' well-being. The inclusivity of the Fund's eligibility criteria allows for a variety of organizations/groups to apply for funding. Demand for the Fund is evident based on the number of applications submitted each year (between 98 and 155). The evaluation notes that a limited number of projects can be approved for funding each year, and that a number of organizations are receiving multi-year funding and a disproportionate amount of overall funds. Of the 102 projects approved for funding in the evaluation scope period, 68 unique organizations received financial support. Twenty-three organizations received funding more than once and account for \$22.6 million of the overall \$36.6 million of funds committed to approved projects.

The Veteran and Family Well-being Fund aligns with government direction and departmental roles and responsibilities. There is an opportunity to review how the Fund aligns with departmental priorities given the types of projects seeking funding and other VAC research initiatives underway. The great majority of organizations receiving financial support through the Fund are not-for-profit organizations, and these organizations are continually seeking funding to support programming and operations, which may not always be considered innovative initiatives. Additionally, in April 2020 the department launched the VAC Research Funding Program, which provides funding to similar organizations with a focus on research-oriented projects and/or innovative initiatives to improve the well-being of military members, Veterans and their families.

The Fund has a Performance Information Profile in place with outcomes identified. Information in support of the performance indicators and outputs is being reported to some extent. However, there are opportunities to enhance the Fund's performance measurement. The evaluation team was unable to verify/locate supporting information or sources for some performance measures and project files had varying degrees of supporting information available to measure the achievement and effectiveness of intended project outcomes. Overall, there was a relatively small number of completed projects (35/102 of all funded projects) available for review during the evaluation scope. With a limited number of projects considered completed, most which are from the first two application rounds, it is difficult to make broad statements regarding the success of the Fund.

The Fund continues to enhance the rigour of the application assessment process and monitoring of ongoing projects. Since the Fund's inception in 2018, there has been staff turnover as well as adjustments to processes and templates. The evaluation notes that there is an opportunity to enhance the reporting protocol for projects in order to maximize the collection of performance information, while enabling organizations the flexibility to share supporting evidence determined to be important from their perspective.

There is a risk that some organizations rely on VAC funding in order for their project/program to continue. Some organizations have received funding multiple times and/or consistently throughout the evaluation scope period, with some organizations receiving a continuous flow of funding since 2018-19. The Terms and Conditions for the Fund clearly stipulate that funding is to be used for activities/projects that are finite in nature, and that activities/projects that "represent or establish a requirement for ongoing funding or create a dependency" are ineligible. The challenge is some organizations have created well established programs that serve vulnerable populations and/or provide needed services and supports. Financially supporting a variety of Veteran groups/stakeholders offers a range of opportunities to highlight good news stories across the country.

The Fund has made strides to enhance the governance and rigour of the application assessment process and progress reporting frequency. The added rigour as well as the increasing number of projects being monitored, requires a level of resourcing which

cannot be maintained if the Fund returns to its core staff funding levels. As of January 2023, the Fund had 67 projects underway and had received over 100 applications in the 2022 application round. The program area currently has four full-time staff, consisting of two indeterminate analysts, one temporary analyst, and one program manager. The Fund has continually spent the full budget allotment each year, and committed funds to future budgets. Budget 2021 provided temporary funding of \$15 million over three years. These funds were almost fully allocated in 2021-22. How the Fund plans to address future demand is unclear. At this juncture, it would be timely for the department to consider if continuing with the Fund's current intent and objectives are feasible based on the level of core funds available, or if any modifications to intent/objectives and/or core funding levels should occur.

Recommendation #1

It is recommended that the Assistant Deputy Minister of Strategic Policy, Planning and Performance determine if changes are needed to the intent and objectives of the Fund to align with its evolution and departmental priorities. Where appropriate, take the necessary steps to:

- a) Modify the stated objectives of the Fund; and
- b) Seek opportunities to increase core funding levels and/or staffing complement to address the Fund objectives and maintain the cumulative workload.

Recommendation #2

It is recommended that the Director General Policy and Research share guidance with funding applicants/recipients regarding:

- a) the development of measurable project outcomes; and
- b) suggested information that would be beneficial to support progress towards achieving project outcomes.

Recommendation #3

It is recommended that the Director General Policy and Research enhance Fund data tracking with the intention to maximize internal reporting efficiencies, and support performance measurement and program decision making.

1.0 Introduction

Veterans Affairs Canada's (VAC's) mandate is to support the well-being of Veterans and their families, and to promote recognition and remembrance of the achievements and sacrifices of those who served Canada in times of war, military conflict and peace.

The Veteran and Family Well-Being Fund has been in place since 2018. This is the first evaluation of the grant and contribution program since its inception. An internal audit was completed in 2020.

1.1 Overview of the Veteran and Family Well-Being Fund

The Veteran and Family Well-Being Fund (hereafter called the Fund or the Program) was created to fill a perceived gap in supporting innovation and research in Veteran health and well-being. Prior to establishing the Fund, the department regularly received requests from organizations to support research and/or the development of programs and services for Veterans and their families. However, VAC had no mechanism to contribute financially to these requests.

An Order in Council dated 15 December 2017, authorized VAC to pursue the creation of a grant and contribution program. Consequently, the Fund was established in April 2018, with a first call for project applications occurring in May 2018.

The intent of the Fund is to provide financial support to organizations that conduct research and/or develop/implement innovative programs and services intended to improve the health and well-being of Veterans and their families. Organizations who may qualify for funding include:

- Non-profit organizations;
- For-profit organizations, provided that the nature and intent of the activity is non-commercial, not intended to generate profit, and supports program priorities and objectives;
- Research organizations/institutes;
- Educational institutions;
- Public health and social services institutions; and
- Indigenous organizations.

There are four objectives established for the Fund:

- Drive progress on new knowledge and understanding of Veteran and family well-being using the determinants of health model¹;
- Build capacity within the non-profit and volunteer sectors on issues specific to Veterans and their families such as homelessness, careers and employment, transition to civilian life, etc.;
- Encourage coordination between multiple players: agencies, institutions, associations and other levels of government; and
- Support new ideas for adapting existing programs and/or forming new programs and services to address ill-and-injured Veterans' treatment and care needs.

The Fund is structured to provide both grants and contributions. Projects approved under the Fund are eligible to receive:

- Grants up to \$500,000² per fiscal year, for a maximum of three years.
- Contributions up to \$1 million per fiscal year, for a maximum of five years.

The Fund is allocated \$3 million annually. However, Budget 2021 provided an additional \$15 million over three years (\$5 million per year), starting in 2021-22. The temporary budget increase was provided to VAC to expand and enhance the Fund through projects that will support Veterans in post COVID-19 recovery, including addressing homelessness, employment, retraining, and health challenges. In accordance with the Budget funding decision, a portion of this additional funding is to be designated to support projects that assist the vulnerable sub-populations of women and/or LGBTQ2+ Veterans.

To date, the Fund has contributed to 102 projects out of 509 submitted proposals. Over \$36 million has been awarded since 2018. The Fund has only operated one year within its core budget of \$3 million. Since the first year of operations (2018-19), the Fund's annual budget has been temporarily supplemented with additional funds from within the Department, or through Budget 2021.

Management of the Fund has shifted between VAC directorates several times since 2018. Since 1 April 2021 the Fund has been administered and monitored by VAC's Research Directorate which is part of the Strategic Policy, Planning and Performance Branch.

¹ VAC's Well-Being Model describes the seven domains of well-being required for a successful transition to civil life. These include: health; purpose; finances; social integration; life skills; housing and physical environment; and cultural and social environment.

² This is increased from \$250,000 maximum grant pre-2021.

Overview of the application submission and assessment process

VAC generally issues a call for funding applications once per calendar year³. When a call is open, VAC informs organizations through its website and multiple mailing list of interested applicants. Organizations have at least one month to submit a proposal online via a hyperlink from the Fund's webpage on the VAC internet site.

Once the submission period closes, Fund staff conduct an initial review of applications to determine the eligibility of organizations and to determine where consultation with departmental subject matter experts may be required. Due to the technical nature of some proposals, Fund staff use feedback from subject matter experts to assist in assessing and scoring applications using an established scoring matrix. A standard template is used to record the assessor's rationale for scoring the application. The current process for reviewing and assessing all applications takes approximately two to four weeks.

Projects that meet the program criteria are further reviewed by the program area to determine which will be recommended for approval based on: overall application score; variety of theme topic areas and geographic locations; and availability of funding. The recommendations are reviewed and finalized within the Policy and Research Division, and are then provided to the Assistant Deputy Minister of Strategic Policy, Planning and Performance for approval. A recommended project list is then shared with the Minister's office where ultimate sign off occurs of approved projects. Successful applicants are informed directly, new recipients are highlighted on the programs website and events and press releases occur announcing the projects throughout the year. Prior to public announcement, Fund staff begin the process of developing funding agreements between VAC and recipient organizations. The funding agreements outline responsibilities of both parties, reporting requirements particular objectives/outcomes and specifics regarding payment(s).

2.0 Scope and methodology

2.1 Evaluation objective and scope

This evaluation was conducted in accordance with VAC's 2022-23 to 2026-27 Departmental Evaluation Plan, which was developed to align with Treasury Board of Canada Secretariat's (TBS's) *Policy on Results*. The policy stipulates that evaluations of all ongoing grant and contribution programs that have a five-year average expenditure

³ In 2021, VAC issued two calls for applications coinciding with increased funding through budget 2021.

of \$5 million per year must be evaluated every five years. The policy also indicates that all organizational spending and programs in the Program Inventory must be considered within departmental evaluation planning based on risk and need.

The past performance of the Fund was reviewed along with current activities to determine program relevance, effectiveness, and economy. The evaluation was conducted from April 2022 to March 2023. The evaluation covers the time period from 1 April 2018 to 31 March 2022. When available and applicable, more up-to-date information was incorporated into the evaluation (e.g., observations of the Fund’s call for applications in Fall 2022 and the associated application assessment and funding decision process).

Since VAC’s 2021 *Audit of the Veterans Family Well-Being Fund* focused on governance, documentation, processes and tools, the evaluation placed less emphasis on the efficiency of the Fund, as staff continue to implement changes resulting from audit recommendations. Numerous recommendations in the area of efficiency were made in the audit, including updating processes, tools and supports for the Fund. Where appropriate, the evaluation highlighted early findings with regards to changes that have occurred as a result of addressing audit recommendations.

2.2 Evaluation questions

Upon completion of an initial review (interviews, document review, and data analysis), evaluation questions were developed to help assess program relevance and program performance (especially in the areas of effectiveness). A list of evaluation questions, highlighting the key lines of inquiry, can be found in Table 1 below.

Table 1: Evaluation questions

Evaluation questions
Relevance
To what extent does the Fund address a need, now and in the future?
To what extent does the Fund align with Government of Canada priorities and departmental roles and responsibilities?
Performance
Have outcomes been identified and measured to determine the Fund’s success and support program management?
Are there any unintended impacts resulting from the Fund (positive or negative)?
Are there opportunities to improve the effectiveness of the Fund?
To what extent are Fund resources used efficiently and economically?

2.3 Evaluation methodology

The Evaluation was summative⁴ in nature and relied on a mix of qualitative and quantitative data sources. The methodology incorporated multiple lines of evidence to ensure reliability of collected information and reported results. This information is further outlined in Table 2 below.

Table 2: List of evaluation methodologies and sources

Methodology	Source
Departmental Documentation and Secondary Research Review	The following departmental documents/information were reviewed to better understand the program objectives/intent, their authorities and requirements, complexity, context and any key issue areas: departmental planning documents, central agency submissions, previous audits, terms and conditions, business processes, guidelines, strategic documents, performance reports, and internal tracking documents.
Non-Departmental Document Review	Various non-departmental documents such as, parliamentary reports and transcripts, legislation, budget speeches, media documents, and Speeches from the Throne were reviewed for context purposes.
Interviews	42 Interviews (19 planning interviews and 23 fieldwork interviews) were conducted with VAC staff (including senior management, present and past program managers, head office employees, as well as other subject matter experts within the department) and a sample of representatives from organizations who submitted successful funding applications.
Data Analysis	Data analysis of available financial and operational data collected by VAC pertaining to the Fund since 1 April 2018.
Observation	Observation of the 2022 project assessment process was conducted with Program staff. As travel restrictions allowed, site visits occurred in Halifax, Nova Scotia, Stratford Prince Edward Island, and Summerside Prince Edward Island. The site visits provided an opportunity to meet Fund recipients, gather information, observe recipient projects, discuss the funding application process, the funding distribution process, and processes relating to reporting and corresponding with the Fund.
File Review	A file review of completed funded initiatives (35 projects) was done to assist in evaluating the effectiveness of the Fund. Findings from the review were used to assess the success of funded projects completed to date, help determine whether the Fund is meeting its objectives as set out in the original terms and conditions, and measure progress towards achieving program outcomes.

⁴ Summative evaluations assess the performance of a program, including the relevance, achievement of outcomes and overall effectiveness of a program.

2.4 Considerations and limitations

The evaluation identified the following considerations and limitations:

- The evaluation team consulted with various areas across the department to gain an in-depth understanding of the Fund, the original intent of the Fund, how it operates, what is working well, and where there may be areas for improvement.
- The evaluation team was able to visit select Fund recipients in Nova Scotia and Prince Edward Island, and then conducted virtual interviews with other organizations, as scheduling logistics and air travel as well as COVID-19 continued to provide risks and challenges with travel.
- Gender based analysis (GBA+) was incorporated into the evaluation based on overarching project theme.
- There was an inconsistent level of information to fully assess Fund success. There was a limited set of completed project results. Many projects are multi-year projects, with only one third of projects considered completed. Additionally, the scope, size and themes of projects varied significantly. The nature of the funding program (research and innovation) also presented challenges in defining and measuring 'success' (e.g., what is considered innovative/how measure success of innovation). To mitigate this challenge, the evaluation looked at multiple information sources (e.g., file review, interviews with various departmental staff and funding recipients, and document review). Where available, the evaluation team noted any short-term, observable indications of success.
- Reporting for the Fund is primarily manual in nature. Throughout the evaluation, the team noted a lack of documented statistical information. Where possible, the information was created by the program area. The evaluation team noted discrepancies in some instances, which were highlighted with the program area.
- The Fund is still maturing and has seen many changes in funding levels, processes, and management since its inception in 2018. This was taken into consideration when evaluating the effectiveness and efficiency of the Fund to date.
- The VAC Research Funding Program was launched by the department in April 2020 and is further elaborated in section 3.2.1, Alignment of Government of Canada priorities. This new program is separate from the Veteran and Family Well-Being Fund and was not considered in scope for this evaluation. It will be evaluated at a later date. Some findings in this evaluation may be linked or impact the Research Funding Program, as there are some similarities among the two funding programs.

The above noted information should be taken into consideration when reading this evaluation report.

3.0 Relevance

Veterans Affairs Canada (VAC) exists to ensure the well-being of Veterans and their families. The Veteran and Family Well-Being Fund provides funding to organizations undertaking initiatives to improve the well-being of Veterans and their families.

3.1 Continued need

There is a continued and ongoing demand for program funding from organizations to support initiatives targeting Veterans and their families well-being.

The Veteran and Family Well-Being Fund was created in response to more than 80 requests to VAC from organizations seeking funding for research or innovative services aimed at supporting the health and well-being of Veterans and their families (i.e., benefits or services not currently offered through VAC programming). Prior to the Fund being established, requests were reviewed and assessed internally to determine whether a mechanism existed to provide support. In some instances, internal funding or in-kind support was possible. In other instances, VAC sought one-off funding through a Treasury Board submission or redirected requests to other government funding sources.

The creation of the Fund provided the department with a formal mechanism to provide the type of financial support that was being requested. Demand for the Fund is evident based on the number of applications⁵ submitted each year. As can be seen in Table 3, four rounds of application calls yielded 509 applications requesting funds valued at over \$350 million. VAC has exhausted its program funding each year, and has met 10% of the monetary demand of applicants⁶. This shows that at the current funding levels the demand for funds will most likely continue to surpass the funds available.

Table 3: Overview of applications received and approved with funding amounts

Fiscal Year	Applications Received	Funding Requested	Successful Recipients	Funding Awarded
2018-19	155	\$ 109,360,635.25	21	\$ 7,560,293.86
2019-20	114	\$ 76,254,853.29	22	\$ 7,252,739.00
2020-21	142	\$ 111,506,668.74	23	\$ 10,492,582.46
2021-22	98	\$ 54,874,591.31	36	\$ 11,298,396.00
Total	509	\$ 351,996,748.59	102	\$ 36,604,011.32

Source: Program reporting

⁵ As of 31 March 2022. An additional 118 applications were submitted during the 2022-23 application call.

⁶ This is because the request for funds during the application submission round outweighs the amount of money available to be allocated each funding round.

Between 2018-19 and 2021-22, a total of 102 projects were approved and \$36.6 million of program funding committed to the various initiatives. On average, 25 applications have been approved each year. In the 2022-23 application call out, there were 118 applications submitted and 21 applications approved for funding totaling \$6 million.

Each year there is a continued effort to approve project applications relating to a diverse array of topics and multiple Veteran sub-populations as can be seen in Table 4. A detailed breakdown by theme and year can be found in Appendix A.

Table 4: Projects funded by theme for 2018-2022

Theme	Number of Projects	Funding Awarded	Number of Projects
<i>Women and LGBTQ2+ Veterans</i>	17	\$ 5,083,150.00	13.9%
<i>Retraining/Employment</i>	12	\$ 4,890,050.00	13.4%
<i>Homelessness</i>	18	\$ 6,767,713.46	18.5%
<i>Mental Health</i>	26	\$ 8,487,712.86	23.2%
<i>Research</i>	14	\$ 6,990,545.00	19.1%
<i>Families</i>	12	\$ 3,758,090.00	10.3%
<i>Indigenous</i>	3	\$ 626,750.00	1.7%
Total	102	\$ 36,604,011.32	100.0%

Source: Program reporting

Note: Projects are counted based on a primary theme, however there may be multiple theme areas targeted by individual projects (e.g., mental health and homelessness).

The need for funding from VAC is expected to continue. Projects supported financially through the Fund have been primarily not-for-profit organizations (90/102). This is not surprising as not-for-profit organizations rely on external funding sources to enable programming/projects and operations.

As part of the evaluation, the team spoke with representatives from various organizations who received financial assistance through the Fund, all of which expressed great appreciation for the funding. During these interviews it was noted that the majority (12/14) of those interviewed noted that the financial assistance from the Fund was required in order to make their project occur. At the time of the evaluation, program related feedback from organizations that received funding was not formally requested as part of the funding agreement. However, feedback was sometimes shared in an ad-hoc manner.

A limited number of projects can be approved for funding each year. A number of organizations are receiving multi-year funding and a disproportionate amount of overall funds.

During the scope of the evaluation, approximately 20% (102/509) of applications were approved at an average amount of \$359,000 per project. Of the funded projects, 68 unique organizations received financial support. This means that 23 organizations received funding more than once⁷. These 23 organizations received \$22.6 million of the overall \$36.6 million of funds committed to 102 projects. In other words, 34% (23/68) of the unique organizations received 62% of the allocated funding, indicating that a disproportionate amount of the overall funds are going to relatively small set of organizations. Some organizations have received funds continually since the inception of the Fund.

When multi-year projects are approved, the available amount of future years' budgets are diminished. The result is the annual budget available for future application rounds appears larger than the reality of available funds, potentially leading to a reduced capacity to approve new projects in future application calls. The budget for the Fund is further discussed in section 4.2.2, Budget capacity.

Fund objectives are broad, and a variety of organizations are eligible to seek funding; however, eligibility is limited to finite projects.

The inclusivity of the Fund's eligibility criteria allows for a variety of organizations/groups to apply for funding. VAC's website describes the Veteran and Family Well-Being Fund as a fund that provides grants and contributions to private, public or academic organizations to conduct research and implement initiatives and projects that support the well-being of Veterans and their families. When elaborating about the Fund on VAC's external website it says, "If you are an organization that works to create new and innovative ways to improve the well-being of Canadian Veterans and their families, the Veteran and Family Well-Being Fund may offer the support you need to get started."

"Innovative ways" is a broad term. Generally, the interpretation by the Program area has been in line with the overall definition of innovation – a new or different way of doing something. In some cases this looks like adjusting a program to include Veterans and/or address specific Veteran needs or it could be researching a new therapeutic approach to improve Veteran well-being. Assessing innovation is a component of the project application scoring procedure.

⁷ Organizations who received funding two, three or four times since the inception of the Fund.

In addition to the Fund's intent relating to innovative approaches to serve Veterans and their families, there are other objectives identified (as highlighted in Table 5, Fund objectives linked to completed projects). The Fund's objectives center on supporting new ideas and driving progress on Veterans health and well-being, while also supporting capacity building and encouraging coordination among stakeholders.

A file review conducted by the evaluation team identified that all completed projects reviewed (35) were linked to at least one of the Fund objectives. The majority of projects (24/35) were linked to more than one objective; although the reviewers note that the links were not always strong.

Table 5: Fund objectives linked to completed projects

Fund Objective	Number of Projects	Percentage
Build capacity within the non-profit and volunteer sectors on issues specific to Veterans and their families such as homelessness, careers and employment, transition to civilian life, etc.	23	23%
Drive progress on new knowledge and understanding of Veteran and family well-being using the determinants of health model	17	17%
Encourage co-ordination between multiple players: agencies, institutions, associations and other level of government	28	29%
Support new ideas for adapting existing programs and/or forming new programs and services to address ill-and-injured Veterans' treatment and care needs	30	31%

Note: these are not mutually exclusive answers, as some projects were linked to more than one objective.

Realizing that there is intended flexibility built into the Fund (in order to support a variety of projects and organizations targeting Veteran and family well-being), the broad structure may also be creating challenges. Interviews with staff throughout the department, including subject matter experts who assist in reviewing applications, indicate that there is uncertainty on the objective of the Fund. Also, while overall eligibility for the Fund is broad, program planning documents state funding is specific to projects that are finite in nature, and funding is not intended to support ongoing operations/programming. As mentioned, the great majority of funding recipients are not-for-profit organizations, which often have ongoing funding needs. One of the objectives of the Fund focusses on building capacity within the non-profit and volunteer sectors. These factors bring into question the precision of the Fund's intent, and whether there is an opportunity/need to clarify the overall objective.

The Fund has a limited amount of core funding, and efforts are made to spread support across numerous projects covering many different themes. In addition, factors such as

geography, official languages, sub-population groups, etc. must be taken into consideration. There is a great number of expectations based on the numerous objectives (as highlighted in the linkage to various expected departmental results discussed in section 3.2.1) and target populations.

There is an opportunity to re-confirm the intent of the Fund, and whether the current objectives remain appropriate.

3.2 Alignment with government priorities and federal roles and responsibilities

The Veteran and Family Well-being Fund aligns with government direction and departmental roles and responsibilities. There is an opportunity to review how the Fund aligns with departmental priorities given the types of projects seeking funding and other VAC research initiatives underway.

3.2.1 Alignment with Government of Canada priorities

The Government of Canada continues to recognize supporting the well-being of Veterans as an area of priority. Alignment with Government of Canada direction is evident through mandate letters to the Minister of Veterans Affairs in both 2017 and 2021, where the successful implementation of the Fund was a priority. Program initiation documents from 2017 stated that the ongoing funding through the Veteran and Family Well-Being Fund will “foster innovation across the public, private and academic fields. This Fund would select proposals put forward by organizations to conduct research and develop or implement a wide range of innovative programs that will make a real difference in the lives of Canada’s veterans and their families”

Alignment with departmental roles and responsibilities is evidenced through Budget 2017 and Budget 2021. Budget 2017 proposed establishing the Well-Being Fund “to support the creation of innovative services and support specifically tailored to improving the quality of life for our veterans.” Budget 2021 proposed that the Fund be used as a mechanism to help support post COVID-19 recovery in Canada, through an additional \$15 million used to support Veterans and their families in the areas of homelessness, employment, retraining and health challenges.

VAC’s Departmental Plan sets out core responsibilities for the department and associated planned results and resources for the year. The Fund is currently linked to three departmental results, indicating significant alignment with VAC roles and responsibilities. The evaluation team notes the Departmental Plans from 2018-19 through 2022-23 show somewhat inconsistent wording describing the activities of the Fund and linkages towards departmental results. In particular:

- In 2018-19 and 2019-20, the Fund was not linked to specific departmental results

- In 2020-21 through 2022-23, the Fund was linked to housing with some changes in result wording from: *'creative solutions for Veterans at risk for becoming homeless'* to *'establishing safe and secure environments for long term stability'*
- In 2021-22 through 2022-23, the Fund has been linked to the departmental result *'Veterans and families are physically and mentally well'*
- In 2022-23, the Fund was also linked to a new departmental result *'Veterans have a purpose'*

The linkage to three departmental results highlights both the importance that the department is placing on the Fund as well as the impact that it hopes to achieve. However, the performance indicators for these three departmental results are linked to themes of projects funded, versus the Fund purpose itself. For example, the indicators for *'Veterans have a sense of purpose'* are: 'the percentage of Veterans who are employed' and 'the percentage of Veterans satisfied with their job'. Indicator results reported for 2021-22 are based on VAC programming like the Education and Training Benefit, Career Transition Services, and federal government outreach initiatives. There is no mention of the Fund. Some projects that received financial support through the Fund target employment and re-training, and this is one of the theme areas of focus for Budget 2021 funding.

The program aligns well at a high level with the government's desire to support projects which make a difference in the well-being of Veterans and their families. The reality is not-for-profit organizations need ongoing funding, regardless of the type of programming or projects being delivered and therefore won't always match the overall Fund intent of fostering innovation. Please see Unintended impacts, section 4.13, for additional information regarding funding projects for operational costs.

Additionally, in April 2020 VAC launched the VAC Research Funding Program. This program provides funding to similar organizations (private, non-profit, and academic sectors) to undertake projects for similar purposes (research-oriented projects and/or innovative initiatives to improve the well-being of military members, Veterans, and their families). As another new departmental funding program, there continues to be evolution and understanding garnered through experience. During the evaluation planning phase, it was noted that there was no overlap or link among the two funding programs and the Research Funding Program was scoped out of the evaluation. As the evaluation progressed, indications began to emerge that there may be some overlap in supporting research initiatives.

There is an opportunity to combine the research aspect of the Veteran and Family Well-Being Fund and the separate Research fund into one departmental research funding program.

3.2.2 Alignment with federal roles and responsibilities

The *Department of Veterans Affairs Act* provides authority to the Minister of Veterans Affairs to administer Acts of Parliament and Orders in Council that are not, by law, assigned to any other federal department or any Minister for the care, treatment and re-

establishment in civil life of Veterans and the care of their dependents and survivors, and such other matters as the Governor in Council may assign. A 2017 Order in Council gives VAC authority to provide funding through the Veteran and Family Well-Being Fund to qualified recipients “for the well-being of Veterans and their families”.

The evaluation team, through document review and interviews, confirms that VAC continues to deliver on its mandate through the Veteran and Family Well-Being Fund and that the Fund contributes to the department fulfilling its responsibilities of supporting the well-being of Veterans and their families. Though, as noted above, there may be opportunities to clarify the intent and objectives of the Fund, and to align activities among research and innovative initiatives within the department.

4.0 Effectiveness, efficiency and economy

The Fund has a Performance Information Profile in place with outcomes identified. Information in support of the performance indicators and outputs is being reported to some extent. However, there are opportunities to enhance the Fund’s performance measurement.

A Performance Information Profile (PIP) is a document that identifies the planned performance information for each program in the department’s program inventory. Each PIP outlines program outputs and outcomes, as well as related performance indicators, targets, data sources and associated methodologies. The department’s Integrated Planning and Performance unit is responsible for monitoring and overseeing PIPs, while VAC program officials are responsible for establishing, implementing and maintaining PIP information in support of their programs. Status updates against individual PIPs are periodically presented to the VAC Performance Measurement and Evaluation Committee (PMEC).

The Veteran and Family Well-Being Fund shares a PIP with the Research Fund and the Centre of Excellence on Post Traumatic Stress Disorder and related Mental Health Conditions, under the Research and Innovation PIP. The most recent version of the Research and Innovation PIP is dated 2021. Additional outcomes and associated performance indicators were added in support of tracking Budget 2021 impacts. This information is targeted to be available for 2024.

Overall, there was a relatively small number of completed projects (34% of all funded projects, or 35/102) available for review during the evaluation scope. With a limited number of projects considered completed, most which are from the first two application rounds, it is difficult to make broad statements regarding the success of the Fund. The Fund has been successful in providing funding to numerous organizations targeting a

variety of Veteran and well-being theme areas, such as homelessness, mental health, employment and Indigenous Veterans.

4.1 Achievement of expected outcomes

Results for the primary outcomes and indicators were documented for the period of the evaluation. Outcome results were published in the PIP; however, the evaluation team was unable to verify/locate supporting information or sources for some performance measures. During the evaluation scope period, there was significant changeover of program staff as well as ongoing changes to application and reporting templates, and processes. These changes in combination with inconsistent supporting documentation led to challenges for the evaluation team in confirming supporting performance measurement information. A review of the PIP as well as interviews with the program area identified that the outcomes and supporting performance indicators provide minimal information that aid in the management of the Fund. The success of the Fund is currently linked to the success of individual projects, which provides performance measurement challenges as well. This topic is further elaborated on in the next section of the report.

4.1.1 Program effectiveness

The overall objective of the Fund is to provide financial support to organizations undertaking innovative initiatives intended to improve the well-being of Veterans and their families.

The evaluation measured progress towards achieving the following stated outcomes of the Fund:

Immediate outcome #1 – “Increased engagement of organizations in projects to improve Veteran and family well-being”

The performance indicator identified to measure this outcome is the “*percentage increase in new applications year over year*”. This indicator measures the change in awareness of the Fund by measuring new applicants. There is no baseline measurement to know how many projects centered on Veteran and family well-being were occurring in Canada prior to launch of the Fund, making it difficult to measure how effective the program has been at increasing projects aimed at Veteran and family well-being. However VAC was aware of 80 plus inquiries to the department seeking funding over a three-year period (2012 to 2015). The number of applications received annually surpasses this three year total.

As seen in Table 6, between 42% and 54% of funding applicants per year are first-time applicants. This figure exceeds the original target of 10% stated in the PIPs. The

ongoing engagement from new organizations indicates that the department has been effective in creating awareness of the Fund, and that a higher target would be appropriate.

Table 6: Number and percent of first-time applicant organizations

	2018-19	2019-20	2020-21	2021-2022	2022-23
Total annual applications received	155	114	142	98	118
Number of first-time applicants	N/A	44% (50)	54% (77)	42% (42)	43% (51)

Note: Due to the manual nature of the methodology used to calculate the number of applications and first time applicants, the evaluation team noted discrepancies in reported numbers as methodological approach.

Another factor for consideration when measuring the effectiveness of engagement is the number of new applicant organizations awarded funding, which would provide additional information on the number of projects initiated in support of Veteran and family well-being.

The evaluation team notes that if annual budget levels do not allow for a reasonable percentage of approved projects, from diverse organizations, there is a risk that future application call levels may be impacted (i.e., organizations may not see the value in completing an application after multiple years of being unsuccessful in securing funding). The average approval rate for funded projects has been around 20%. The Fund’s budget will be further elaborated on in section 4.2, Program Efficiency and Economy.

Though not indicative of whether an organization submits an application, the visits to the Fund’s webpage has been steady with around nine to ten thousand visits per year. The webpage provides background information on the Fund as well as the link to the online application. As can be seen in Table 7, the first year of the Fund received significantly more traffic (30,000 plus visits), which is understandable as initial interest to learn more about the Fund would be expected. The evaluation finds that the VAC website has been an effective tool in raising awareness about the program.

Table 7: Views of the Fund’s web landing page

Fiscal Year	English	French	Total Views
2018-19	27,240	4,151	31,391
2019-20	8,044	1,105	9,149

2020-21	9,177	1,157	10,334
2021-22	8,194	1,142	9,336

During the evaluation scope period there were numerous posts on the department's Facebook page and Twitter regarding open application rounds for the Fund as well as posts on funded project events/announcements. There has been limited presence on VAC's YouTube channel and the department's Instagram account is dedicated to remembrance posts. There is an opportunity for the program to explore how new audiences might be reached more effectively and economically through social media as well as highlight funded projects to further enhance visibility. Currently, projects that received funding are often highlighted in media stories, which the Research Directorate began tracking in 2022. Additionally, VAC has an initiative to highlight Veteran stories through the departmental website as well as *Salute!*. Though not officially tracked, projects funded through the Veteran and Family Well-Being Fund and/or the organizations that have received funding have formed part of such personal stories, indicating that Veterans are indeed involved with these organizations. Unfortunately, due to the broad range of topics and organizations involved, the evaluation team was unable to attribute the Fund's impact in personal Veteran stories and *Salute!* article reach. There is an opportunity to further consider how personal impact stories highlighting projects funded through the Veteran and Family Well-Being Fund might be tracked more officially.

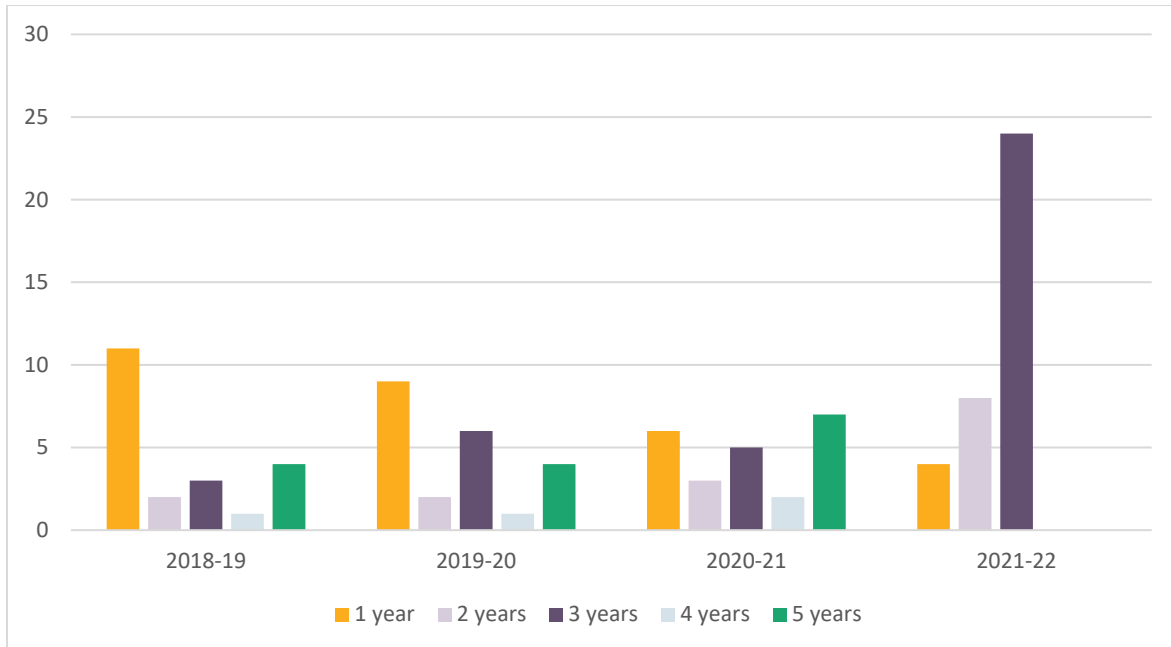
Immediate outcome #2 – “Eligible organizations have access to the VFWB Fund”

The outcome relating to access of the Fund is measured by the amount of the annual core budget expended. This measure continues to be met each year, as the Fund has continually spent its full budget allotment and has received additional supplementary funds from 2019-20 to at least 2023-24 (end of Budget 2021 temporary funding). While monitoring the budget is a critical activity, this indicator does not provide much value to measuring the success of access to the Fund. In reality, based on the number of applications approved versus submitted annually, the documented performance indicator will continue to be achieved. A better measure may be the percentage of qualified applications that are approved for funding.

Approval of funding is primarily linked to the availability of the annual budget. The evaluation team notes that there was a spread in the length of funded projects. For example, in the initial year of funding (2018-19) projects were mainly funded for one year (52%), and in 2021-22 the majority of projects were funded for three years (67%),

and no projects were approved for funding beyond three years⁸. Graph 1, highlights the variability in funded project length by fiscal year of approval.

Graph 1: Number of projects by project length (years funded) by fiscal year of approval



In terms of timely access to funds, the 2021 *Audit of the Veteran and Family Well-Being Fund* found payments to Fund recipients were made in a timely manner. Recipient organizations interviewed by the evaluation team agreed that payments were timely, once agreements were initiated, however the turnaround for funding decisions/announcements sometimes impacted their ability to initiate a project. There is a risk that recipient organizations may not receive the necessary funding in time to appropriately plan and ensure adequate staffing is in place to effectively deliver their planned project activities.

Intermediate outcome – “Projects / initiatives support Veterans and their families well-being.”

The performance indicator linked to this outcome measurement is the percentage of funding recipients that have achieved their planned project outcomes with a target of 80%. Results from the PIP indicate that almost all projects achieved their planned outcomes (94% to 100% from 2019 to 2021). This seemingly indicates the Fund was effective in supporting projects aimed at Veteran and family well-being. However, the performance results as presented in the PIP were not linked to information sources or analysis documents. A review of documents and interviews with the Fund staff in the

⁸ This is the maximum number of years a grant could be approved for at that time.

VAC Research Directorate indicate an inconsistent and informal approach to measuring the achievement of project outcomes. At the time of the evaluation, there was no specific strategy to measure and document the achievement of planned outcomes for projects.

Assessing achievement of planned project outcomes was challenging for the evaluation team. Generally, an outcome is defined as a change or consequence attributable to activities and outputs⁹ conducted by an initiative or program. Outcomes may be immediate/short-term, medium, or more long-term in nature. Projects funded through the Veteran and Family Well-Being Fund ranged from one year to five years, and had varying degrees of objectives and outcomes identified in project documentation.

Additionally, the evaluation team noted the following challenges when assessing the achievement of project outcomes:

- In some cases, the intended result for the project was a tangible output, which was a more straight forward measure, but is not necessarily an outcome (e.g., the development of a guide outlining services for Veterans is an output, but it doesn't lead to an outcome unless the guide is used and Veteran or family well-being is improved).
- The end of a project funding agreement (when a project is considered completed by VAC) does not always mean that the organization's project is complete, and the availability of quantifiable performance information may not be available yet.
- The interpretation of 'success' of projects can be subjective. Due to the nature of innovative projects (e.g., trialing new therapeutic services, conducting research), success is not always a linear measure, there may need to be a few iterations or changes, or even failures.

The evaluation's review of project files found varying degrees of project outcomes identified in applications as well as varying supporting information available to measure the achievement and effectiveness of intended project outcomes. The evaluation team found that the majority (86%) of completed project files had some degree of information to support measuring the achievement of intended project outcomes. A few project files had no evidence available to the evaluation team, or the evidence was not measurable.

Outcome information is presented in an open-paragraph field in both the application and the final report templates. The specificity around what is required to substantiate the intended planned outcomes (i.e., degree of supporting information required) is not defined and therefore the level of information varied by project. The file review identified that project objectives and planned outcomes were not consistently presented at the beginning of the project. There are indications that applicant organizations sometimes have a different interpretation on 'planned outcomes'. For example, the creation of an

⁹ An output is a direct product, service or similar stemming from the activities of an organization, policy, program or initiative, and usually within the control of the organization itself. (Policy on Results)

output (e.g., a reference guide) being identified as the planned outcome, versus identifying the expected outcome related to creating an output (e.g. the desired change in behavior or actions that would occur as a result of the reference guide being created).

Note: The 2022-23 Fund application form did not have a specific question requesting the planned outcomes of projects. The rationale for this change was related to the above indication (applicants were unfamiliar with the terminologies and the level of information submitted varied). The evaluation team notes this lack of information will most likely cause additional challenges measuring the success of funded projects and providing supporting information towards the PIP (unless what is being measured through the PIP is changed as a result of a potential review of Fund intent/objectives). As a mitigation strategy, outcome measures could be incorporated into project funding agreements.

One-on-one interviews with organization representatives provided the evaluation team an additional level of information that is not always easily captured in a textual way within a reporting template. The evaluation team acknowledges that this information may be known or more easily interpreted by Fund staff, who are more knowledgeable on individual projects and organization's backgrounds, but this information was not always easily interpreted by the evaluation team based on the documentation available on the local network at the time of the evaluation.

There is a potential opportunity to capture and use more qualitative information, in conjunction with project self-reporting to inform performance measurement and program management reporting. Project reporting will be further elaborated on in section 4.1.4, Opportunities to improve effectiveness.

Additionally, there is an opportunity to consider how organizations collect feedback from Veteran participants in support of measuring the intermediate outcome. Based on the information reviewed by the evaluation team, there is not consistent tracking of input from Veterans by organizations and/or sharing this information with VAC, which would be helpful in measuring the impact on the well-being of Veterans and their families.

Enhanced outcome measurement guidance in the application package and/or increased engagement between Fund staff with recipients could help to:

- clarify expected project outcomes;
- define measurable indicators to be available within the project scope period;
- describe the level of supporting information expected in project reporting; and
- lead to improved project outcomes.

Based on the level of information available in project files to date, the evaluation is not able to comment on how effectively individual projects impacted the well-being of participants.

Ultimate outcome – “Veterans are physically and mentally well”

The performance indicator for the ultimate outcome is the percentage of Veterans who report that their health is very good or excellent. The data source for this indicator is those who self-report their health as excellent or very good in the Life After Service Survey. Since this survey has not occurred for a number of years, self-reported health status from the VAC National Client Survey (Veteran clients) and Canadian Community Health Survey (Canadian population) are also used to measure this outcome. Table 8 highlights the percentage of Veterans reporting their health as very good or excellent.

Table 8: Percentage of Veterans who report their health is very good/excellent

Target	2018-2019	2019-2020	2020-2021	2021-2022
50%	46%	39%	39%	21%

Source : VAC National Client Survey

Measuring the impact on Veterans well-being as attributed by the Fund is difficult, as this is a long-term outcome, and the Fund is a relatively new program. In addition, recipients/participants of the funded programs or services are not required to be VAC clients.

Despite the above statements, in theory the Fund should contribute to Veteran well-being by funding organizations that are striving to support Veterans through direct programs and services, or through research and innovative initiatives that aim to progress knowledge and understanding on Veterans health and well-being issues. However, because the Fund does not directly serve Veterans, and organizations collect various levels of participation/satisfaction information to gauge the effectiveness of their initiatives, there is no direct source of performance information to measure this outcome.

4.1.1.1 Opportunities to improve effectiveness

The Fund continues to make adjustments to enhance the rigour of the application assessment process and monitoring of ongoing projects, as well as documenting supporting information.

The Fund has continued to grow and adjust since its inception in 2018. The approach to assessing applications being a good example. The process has evolved from:

- a review done almost entirely by the Fund staff and presented to a management review committee to determine recommendations, to

- the Fund seeking volunteers in the Policy and Research group to review applications, to
- engaging key subject matter experts based on topic area.

Each of these approaches have provided lessons learned and the Fund has continued to adjust processes and tools in response. As a result of these continual changes to the application form, the supporting information technology infrastructure is currently being rebuilt.

The VAC 2021 *Audit of the Veteran and Family Well-Being Fund* found that the assessment process was rushed, with little time for back and forth with applicants and consultation with subject matter experts. In the 2022-23 application process, internal subject matter experts related to the core topic areas were formally involved in assessing applications¹⁰. In total there were 118 applications and around 20 VAC resources involved in reviewing and assessing/providing feedback on applications. Of the 118 applications this round, 21 projects were recommended for approval. There is no established service standard for assessing applications and arriving at funding decisions.

There is an opportunity to enhance the reporting protocol for projects and the overall relationship with the funding recipient organizations.

In response to a recommendation in the 2021 Audit, the Fund has also enhanced project monitoring guidelines and developed a process for enhanced monitoring for projects considered higher risk. The main mitigation activities noted are media review, requesting additional information, and conducting recipient audits. Much of the required structure is in place to support project monitoring however there has been limited implementation in activities to date (note: COVID-19 provided continual impacts on the ability to conduct in-person recipient visits between March 2020 and into the fall of 2022).

As part of funding agreements, recipient organizations are expected to provide VAC with progress reports and a final report outlining details on achievement of project activities and outcomes. All completed projects were found to have a final project report on file. A complete report is also required by VAC in order to initiate a payment, whether that be a progress report for an annual installment, or a final report for final payment.

As mentioned, the level of information included in projects individual reporting varies. In some situations, recipient organizations shared actual participant attendance and/or participant feedback through project reporting, however this information is not consistently included, and not all projects would have participants as a measurement

¹⁰ Note: this means 20 individuals spread out over the application themes, not 20 individuals reviewing each application.

(e.g., research projects). In some cases, confidentiality concerns can impact the level of information shared with VAC (i.e., personal details/stories). Sharing the success or progress of a project may also be in a less quantifiable format, for example sharing general participant feedback or success stories verbally or observing the organizations physical space/programming. The evaluation team notes that meeting one-on-one with recipient organizations for the evaluation provided a valuable benefit in better understanding the essence of the individual projects and influence on the Veteran community. This level of personal impact is not always easily gleaned from reading a report. There is an opportunity for VFWF staff to incorporate more one-on-one discussions (in-person or virtually) with funding recipients to enhance the degree of qualitative information collected in support of measuring project success.

A number of representatives interviewed from recipient organizations stated that they had further information that could be shared with VAC about their projects, which from their perspective did not seem to fit into the pre-defined sections of the template. Interviews with Fund staff noted in some instances they do share feedback with organizations in order to clarify reporting information and/or to request additional information. There is an opportunity to enhance communication with funding recipients regarding the expected level of reporting information.

As identified in section 4.1.1, Program Effectiveness, the project report templates are mainly open paragraph style, which provides flexibility for recipients to share information. However, there are situations where more direction regarding targeted performance measurement information would be beneficial to support measuring how the individual projects contribute to the overall success of the Fund. Specifically requesting information such as: participation/attendance data (Veteran and families), quotes/personal impact stories or pictures, any engagement/partnerships with community stakeholders/organizations, and lessons learned. This information is not currently requested specifically, but may be included in project reporting.

Feedback from applicants and recipients on the application process and/or experience with the Fund has not been formally collected to date. As a new program, receiving user input would be a useful measure to gauge potential areas for improvement as the Fund continues to grow and mature.

The evaluation team determined that there is an opportunity to enhance the reporting protocol in order to maximize the collection of performance information, while enabling organizations the flexibility to share supporting evidence determined to be important from their perspective.

4.1.2 Gender Based Analysis plus considerations:

Gender-based analysis plus (GBA plus) is an analytical process used to assess how different groups of women, men and gender-diverse people experience policies, programs and services based on multiple factors including race, ethnicity, religion, age, and mental or physical disability. According to Treasury Board Secretariat (TBS),

differential impacts on diverse groups of people are to be considered for policies and programs¹¹. As of 2020, TBS requires GBA plus indicators be incorporated into PIPs.

With funding through Budget 2021, there were outcomes added to the Fund's PIP including the percentage of annual budget expended on projects with a focus on women and LGBTQ2+. A target of 20% of funds going to these projects was established. In 2021-22 (when the bulk of the temporary funding was committed), the Fund reports that approximately 30% of funding awarded in that fiscal year went to projects focusing on women and/or LGBTQ2+ Veterans. Over the evaluation scope period, the spread of funding for women and LGBTQ2+ projects are slightly less at 14%. Based on reporting from the program area, the great majority of applications submitted that focus on women and/or LGBTQ2+ have been awarded funding.

Tracking projects that focus on Indigenous Veterans and their families is more challenging. Many projects cross-cut themes and may have multiple areas of focus (e.g. mental health and Indigenous Veterans). Between 2018-19 and 2021-22, over \$625,000 was awarded to Indigenous organizations through the Fund, meeting 29% of the overall funding requested for applications focusing on Indigenous Veterans.

During the file review of completed projects, the evaluation team found that few projects completed to date were specifically directed to women (2), Indigenous (1) or LGBTQ2+ (0). Many project applications self-identified as targeting these populations, but upon closer review by the evaluation team, it was determined that the projects were not specifically directed towards these groups¹².

For the 2022-23 application round, the program area did track submitted applications by identified theme areas. Prior to 2022, tracking was done on a broader perspective. Continuing to track submitted applications and funded applications by theme, year over year, would provide additional information to help inform performance measurement and program decision making from a GBA+ lens.

During the 2021-22 fiscal year, the Fund application was updated to include questions asking how the proposed project could support equity seeking groups (such as women, LGBTQ2+, Indigenous, and homeless Veterans), and how the project aligns with GBA+ considerations. Project reporting templates were also updated so organizations can explain how their projects align with GBA+ considerations, as well as requests for supporting data for projects related to homelessness. The level of information collected depends on the level of information individual participants/clients are willing to share.

¹¹ <https://www.canada.ca/en/treasury-board-secretariat/corporate/reports/2019-20-departmental-results-reports/gender-based-analysis-plus.html> "In support of the Government's obligations under the *Canadian Gender Budgeting Act*, program-level GBA plus impacts are to be reported in a supplementary information table as part of the 2019–20 Departmental Results Report."

¹² A number of applications identified various population groups in their target audiences. The evaluation team notes that often this was done in a more inclusive fashion, versus identifying which populations the project was more specifically targeting (e.g., general Veteran population versus a Veteran sub-population. This does not mean that projects didn't exclude those particular population groups, but rather the sub-population groups were not the primary focus of the project.

4.1.3 Unintended impacts

There is a risk that some organizations rely on VAC funding in order for their project/program to continue.

While interviewing organizational representatives from recipient organizations, the evaluation team noted that many demonstrated a passion for helping Veterans and expressed value in how their individual programs/services support Veterans and/or their families well-being.

A number of organizations have received funding multiple times and/or consistently throughout the evaluation scope period, with some organizations receiving continuous funding since 2018-19. While it is possible to receive funding multiple times for diverse projects, a number of funding recipients interviewed expressed reliance on the funding to continue to deliver their project or program.

The evaluation file review identified a number of completed projects (43% or 15/35) had potential for a risk of dependency in funding (e.g., funding was for a project that didn't seem to be finite in nature or was already being provided, the same or similar project was funded in previous years, or funding was used for ongoing operational costs). As mentioned in Section 3.1, many of the organizations funded are not-for-profit organizations and thus there is a continual need for incoming funds to support programming and operations.

The Terms and Conditions for the Fund clearly stipulate that funding is to be used for activities/projects that are finite in nature, and that activities/projects that “represent or establish a requirement for ongoing funding or create a dependency” do not qualify. The challenge is some organizations have created well established programs that serve vulnerable populations and/or provide needed services and supports. Financial support through the Fund in many cases goes towards expanding geographical reach or funding increased participation for programs/services.

The Fund provides the Department with visibility and media exposure. Financially supporting a variety of Veteran groups/stakeholders offers a range of opportunities to highlight good news stories across the country.

In 2022-23, Fund staff began tracking media stories highlighting recipient organizations/projects. As of March 2023, there were 60 plus media stories captured regarding projects funded by VAC. Impact or breakdown of the messaging in media stories is not specifically captured, however Fund staff indicate that they use this information as a mechanism to monitor projects and identify potential risks. As mentioned in section 4.1.1, Program Effectiveness, there may be an opportunity to

enhance tracking of Veteran success stories and *Salute!* articles highlighting projects/organizations that received funding through the Fund.

VAC continues to make strides to enhance stakeholder engagement and support Veteran organizations. The Fund provides a mechanism to financially support various endeavors. There is limited information available to state how much influence the Fund has, however individuals from recipient organizations interviewed indicated appreciation for the funding and VAC staff indicated the Fund provides positive exposure through a relatively small Veterans Affairs Canada program .

The ability to provide widespread and sufficient funding to organizations and Veteran projects in order to meet planned outcomes may be limited by funding capacity.

The Fund is limited in its ability to provide impact to multiple organizations. In 2024-25 the Fund will return to its base budget of \$3 million. Based on the funds already committed to approved projects (as of April 2022), there will be approximately half of the annual budget available in 2024-25 for new projects. Previous funding levels and average project funding amounts indicate the Veteran and Family Well-Being Fund can only support three to four new projects next fiscal year.

Approximately 40% (41/102) of projects approved for funding received less money than requested in their application. Representatives from recipient organizations interviewed by the evaluation team noted that receiving less funding than requested impacted their ability to meet their initial outcomes or objectives. In many cases this meant scaling back on projects or tailoring their project's scope.

Section 4.2, Efficiency Economy further elaborates on the challenges regarding the budget and funding capacity.

4.2 Program efficiency and economy

The Fund has made strides to enhance the governance and rigour of the application assessment process and progress reporting frequency. The added rigour as well as the increasing number of projects being monitored, requires a level of resourcing which cannot be maintained if the Fund returns to its core staff funding levels.

4.2.1 To what extent are Fund resources used efficiently and economically

As the Fund continues to mature, the program area has been making strides to improve governance of the Fund. As a result of the VAC 2021 *Audit of the Veteran and Family Well-Being Fund*, the Fund made a number of changes, such as: updates to the application form¹³, progress and reporting templates and the application scoring tool, creating an application guide, and creating processes and guidelines for potential site visits. In addition, more emphasis was placed on documenting supporting information for the application review and decision making.

The 2021 VAC audit found that the Fund lacked some controls in terms of reviewing contribution project expenditure claims. The Audit states that financial claims were always submitted; however, the department did little in the way of validating the expenditure claims, often taking information at face value. In response to the related audit recommendation, a monitoring process for high-risk projects was developed. Implementation of this process is new (February 2022), and the evaluation team did not assess the degree to which this process has been implemented. Expenditure claims are not required for grants. Grants have been the primary fund disbursement method since the audit was conducted, as Budget 2021 funding is entirely grants.

Each year VAC receives 100 plus applications seeking funding through the Veteran and Family Well-Being Fund. Each application is reviewed and ranked based on its merit and assessed against established criteria (which has evolved as the Fund matured, and as a result of the 2021 audit). The added rigour of the application assessment process adds additional administration costs to the Fund, including in-kind resources from redirecting subject matter experts from other areas of the department for a period of two to four weeks.

In the 2022-23 application round, 118 project proposals were reviewed by numerous VAC program/policy areas, as well as scored and ranked by Fund staff. Though the robust governance of the application process includes multiple reviewers, it enhances the objectivity of the assessment process. There is, however, significant time and effort

¹³ As noted in Section 4.2.1, the evaluation team identified that application form portion regarding identifying planned project outcomes has room for improvement.

spent assessing each individual project against numerous criteria and documenting supporting rationale. This time may be disproportionate to the amount of funds available for distribution and the number of projects which can be approved each year (if funding levels return to base level, this may only be a few projects in future years). Though the application assessment period is generally for a time specific period , significant resource effort is required to review, assess, and score applications as well as consider overall which projects to put forward as recommended for approval.

As the Fund continues to evolve and learn from past application rounds, there may be opportunities to find further areas to enhance the efficiency and economy of the application review process, while maintaining a solid governance structure.

As more projects are approved and funded for multiple years, there is a ripple effect on the monitoring of all ongoing projects and overall management of the Fund. In the 2021-22 funding round there were 36 new projects added to the project list. In the same fiscal year, 11 projects were completed. As of January 2023, the Fund had 67 projects underway. Based on current projects lengths and average funding lengths of projects to date (two to three years), the evaluation team estimates there will continue to be approximately 60 projects that need to be monitored at any given time for the next few years.

The program area currently has four full-time staff, consisting of two indeterminate analysts, one temporary analyst, and one program manager. The effort required to support each application round of 100 plus applications and adequately monitor 60 or more ongoing projects is most likely beyond the capacity of the current permanent staffing complement of two analysts.

Administrative costs for the Fund are not currently tracked as a distinct expense. When the Fund was rolled into the larger Research and Innovation PIP in 2020-21, administrative costs for the Fund were also included as part of this larger umbrella program. For 2018-19 and 2019-20, administrative costs totaled \$430,539 and \$460,703. Based on this change in administrative costing strategy, the evaluation team is only able to report on the overall actual budget and expenditures for the Fund. Total budget and expenditures for the Fund are highlighted in Table 9.

4.2.2 Budget capacity

The Fund has continually spent the full budget allotment each year, and committed funds to future budgets. How the Fund plans to address future demand is unclear.

Fund staff continually monitor commitment dollar amounts and payments throughout the year against individual projects. Discussions with VAC Finance representatives state that monitoring and management of the Fund budget occurs and had no concerns.

Fund staff use multiple tracking documents to ensure that the appropriate amount of funds are distributed each year and that multi-year project commitments are appropriately accounted for in future years.

As previously mentioned, the Fund is allocated \$3 million annually as core funding. The Fund has only operated one year within its core funding, and each year afterwards its budget has been temporarily supplemented with funds from within the department or through Budget 2021¹⁴. See Table 9 for Veteran and Family Well-Being Fund budget, funding available and expenditures. The full budget allotment for the Fund has been spent each year.

Table 9, Veteran and Family Well-Being Fund budget, funding available and expenditures as of March 31, 2022¹⁵

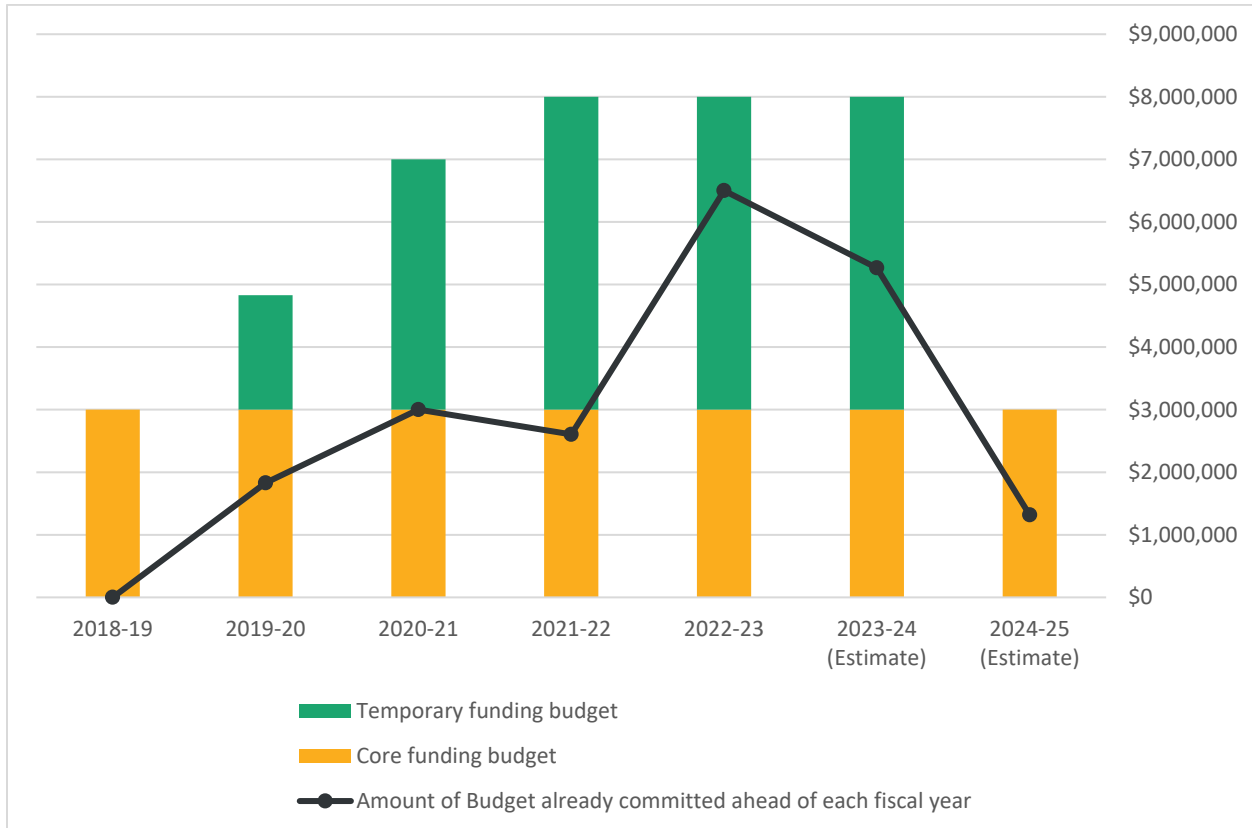
	2018-19	2019-20	2020-21	2021 -22	2022-23	2023-24	2024-25
Budget 2017	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Budget 2021				\$5,000,000	\$5,000,000	\$5,000,000	
Transfer from Vote 1		\$1,830,000	\$4,000,000				
Total Budget	\$3,000,000	\$4,830,000	\$7,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$3,000,000
Amount of budget already committed based on previous project approvals	n/a	\$1,828,993	\$3,000,001	\$2,603,641	\$6,500,000	\$5,264,649	\$1,316,937
Budget available for application rounds by fiscal year	\$3,000,000	\$3,001,007	\$3,999,999	\$5,396,360	\$1,500,000	\$2,735,351	\$1,683,063
Core funding available by fiscal year	\$3,000,000	\$0	\$0	\$0	\$0	\$535,350	\$1,683,063
Expenditures	\$3,000,000	\$4,830,000	\$7,000,000	\$8,000,000			

¹⁴ Budget 2021 provided temporary funding in the form of grant money. Funding began in 2021-22 and is scheduled to conclude in 2023-24 (\$15 million over three years).

¹⁵ Note: successful 2022-23 applications were approved at the end of evaluation report writing, however financial tracking documents were not yet updated. It is expected that the budgets for the 2023-24 and 2024-25 application rounds have been full allocated.

The \$15 million of temporary funds was almost fully allocated in 2021-22 (the first year of the three-year allocation period), with \$11.3 million committed to 36 projects in that fiscal year’s application round. Front loading the temporary funding enabled numerous projects to start immediately, with the potential to see impacts from the temporary funding sooner than expected. This approach impacted the amount of funding available to be awarded to projects in future years which can be seen in Graph 2, Availability of future budget dollars versus commitments.

Graph 2, Annual budget and commitments by fiscal year (as of March 31, 2022)



Based on the funds already committed to approved projects (as of April 2022), there will be approximately half of the budget available in 2024-25 for new projects when the Fund returns to core funding levels. If previous funding levels and average project funding amounts are an indication of future capacity, this would enable the Veteran and Family Well Being Fund to support approximately three to four projects in that annual application round. At the time of the evaluation, there were no specific plans in place to seek additional core funding.

The demand for funding from VAC has been high, as evidenced by the number of applications submitted each year, and the importance the department places on the Fund is evidenced by the continual temporary increases in funds. The temporary funding has allowed numerous additional projects to be supported for many years.

At this juncture, it would be timely for the department to consider if continuing with the Fund's current intent and objectives are feasible based on the level of core funds available, or if any modifications to intent/objectives and/or core funding levels should occur.

5.0 Conclusion

There is a continued and ongoing demand for VAC funding from organizations to support initiatives targeting Veterans and their families well-being. Prior to the creation of the Veteran and Family Well-Being Fund, the department had no formal mechanisms in place to provide this financial support to organizations seeking funds in support of research or innovative services aimed at supporting the health and well-being of Veterans and their families. Annual application levels have been relatively steady, with the department receiving 98 to 155 applications annually over four years. To date, VAC has been able to award funding to 10% of requests for assistance. The need for funding is expected to continue, with approximately 90% of funded projects delivered through not-for-profit organizations.

Each year there is a continued effort to approve project applications relating to a diverse array of topics and multiple Veteran sub-populations (e.g., mental health, homelessness and Indigenous Veterans). In addition to funding diverse projects, the Fund strives to employ a GBA+ lens when providing funding to organizations by taking into account factors such as geography and language.

The program aligns at a high level with the government's desire to support projects that make a difference in the well-being of Veterans and their families. The objectives and eligibilities of the Fund are broad, providing flexibility and inclusivity for projects and applicants. This breadth also provides some challenges in assessing a wide variety of project scopes and sizes, and in interpreting the intent of the Fund. In addition, the interpretation of eligible expenses relating to operating expenditures could be addressing a need, while leading away from the original intent of the Fund, and creating reliance on funding in some instances.

The Fund has a Performance Information Profile in place with outcomes identified. Information in support of the performance indicators and outputs is being reported to some extent. The evaluation team identifies that there are opportunities to enhance the Fund's performance measurement reporting, through internal reporting efficiencies and documentation as well as working with applicants/recipients to further develop project outcomes and the level of supporting information captured on file.

Overall, there was a relatively small number of completed funding projects available for review during the evaluation scope. With a limited number of projects considered completed, and the Fund having only completed four application rounds, there is limited

information available to make broad statements regarding the success of the Fund. The Fund has continually spent its full budget allotment, has had significant uptake in applications, provides positive visibility to the department as well as an opportunity to support Veteran projects/organizations.

In response to findings from the 2021 VAC audit, the Fund has made adjustments to enhance the rigour of the application assessment process and monitoring of ongoing projects. As the Fund continues to grow and evolve, there are additional areas to consider enhancing in terms of guidance documents, internal reporting and project reporting protocols.

The core level funding for the Veteran and Family Well-Being Fund is \$3 million dollars. The Fund has only operated one year within its core funding, and each year afterwards has been temporarily supplemented with funds from within the department or through Budget 2021 (\$15 million from 2021-22 through 2023-24). The Fund has continually spent the full budget allotment each year, and committed funds to future budgets. How the Fund plans to address future demand is unclear, with no specific funding plans following the end of the temporary Budget 2021 funding in 2023-24.

The evaluation team makes the following recommendations based on the findings from the evaluation:

Recommendation #1

It is recommended that the Assistant Deputy Minister of Strategic Policy, Planning and Performance determine if changes are needed to the intent and objectives of the Fund to align with its evolution and departmental priorities. Where appropriate, take the necessary steps to:

- a) **Modify the stated objectives of the Fund; and**
- b) **Seek opportunities to increase core funding levels and/or staffing complement to address the Fund objectives and maintain the cumulative workload.**

Management Response: Veterans Affairs Canada agrees with the recommendation.

Action and Rationale	Expected Completion /Implementation Date	ADM Accountable for Action
The Veteran and Family Well-Being Fund was originally established with the intent to fill a gap in supporting innovation and research in Veteran health and well-being. There have now been a number of application rounds, providing an	June 30, 2024	Assistant Deputy Minister of Strategic Policy, Planning and Performance

<p>additional baseline of information relating to the types of projects funded, as well as the needs from organizations focusing on Veteran and family well-being. In an effort to ensure continued alignment with departmental priorities and needs, VAC will assess if modifications to the intent and the objectives of the Fund are required, and take any subsequent steps to seek necessary approvals to modify program documents and associated resource requests.</p>		
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Recommendation #2:

It is recommended that the Director General Policy and Research share guidance with funding applicants/recipients regarding:

- a) the development of measurable project outcomes; and**
- b) suggested information that would be beneficial to support progress towards achieving project outcomes.**

Management Response: Veterans Affairs Canada agrees with the recommendation.

Action and Rationale	Expected Completion /Implementation Date	ADM Accountable for Action
<p>The Policy and Research Division (PRD) has begun a review of the current Veteran and Family Well-Being Fund (VFWF) application form and is identifying options to incorporate an additional project management component in the upcoming 2023-24 funding cycle. To ensure applicants have sufficient project planning guidance to develop measurable project outcomes, VAC will include a more structured project planning section in the application as well as an enhanced application guide to support the application. The applicant guide will expand on project planning components including project objectives, activities, planned outcomes, and outcome measures. PRD will also provide VFWF staff with project support tools to ensure recipients are equipped to measure and achieve intended project outcomes.</p>	<p>November 1, 2023</p>	<p>Assistant Deputy Minister of Strategic Policy, Planning and Performance</p>

Recommendation #3:

It is recommended that the Director General Policy and Research enhance Fund data tracking with the intention to maximize internal reporting efficiencies, and support performance measurement and program decision making.

Management Response: Veterans Affairs Canada agrees with the recommendation.

Action and Rationale	Expected Completion /Implementation Date	ADM Accountable for Action
Since its inception in 2018, the Veteran and Family Well-Being Fund has made continuous improvements to application assessment processes and project reporting requirements. As the Fund continues to mature, VAC will place additional focus on enhancing the Fund's internal reporting capacity to ensure that the necessary information is available to support performance measurement, internal reporting requirements, and program decision making.	January 31, 2024	Assistant Deputy Minister of Strategic Policy, Planning and Performance

Appendices

Appendix A: Veteran and Family Well-Being Fund annual statistics regarding project theme areas and relating funding amounts

Theme	Projects	Funding Awarded	Percentage
2018-2019			
Women and LGBTQ2+ Veterans	1	\$ 210,000.00	2.8%
Retraining/Employment	2	\$ 347,750.00	4.6%
Homelessness	3	\$ 1,379,298.00	18.2%
Mental Health	7	\$ 1,564,720.86	20.7%
Research	5	\$ 3,692,000.00	48.8%
Families	3	\$ 366,525.00	4.8%
Total	21	\$ 7,560,293.86	100.0%
2019-2020			
Women and LGBTQ2+ Veterans	2	\$ 442,000.00	6.1%
Retraining/Employment	4	\$ 1,015,256.00	14.0%
Homelessness	6	\$ 2,228,288.00	30.7%
Mental Health	6	\$ 3,114,876.00	42.9%
Research	3	\$ 403,604.00	5.6%
Families	1	\$ 48,715.00	0.7%
Total	22	\$ 7,252,739.00	100.0%
2020-2021			
Women and LGBTQ2+ Veterans	2	\$ 931,150.00	8.9%
Indigenous	2	\$ 126,750.00	1.2%
Retraining/Employment	3	\$ 1,977,044.00	18.8%
Homelessness	3	\$ 1,581,731.46	15.1%
Mental Health	8	\$ 2,472,016.00	23.6%
Research	4	\$ 2,653,891.00	25.3%
Families	1	\$ 750,000.00	7.1%
Total	23	\$ 10,492,582.46	100.0%
2021-2022			
Women and LGBTQ2+ Veterans	12	\$ 3,500,000.00	31.0%
Indigenous	1	\$ 500,000.00	4.4%
Retraining/Employment	3	\$ 1,550,000.00	13.7%
Homelessness	6	\$ 1,578,396.00	14.0%
Mental Health	5	\$ 1,336,100.00	11.8%
Research	2	\$ 241,050.00	2.1%
Families	7	\$ 2,592,850.00	22.9%
Total	36	\$ 11,298,396.00	100.0%