

*investing in health.....*



**a report  
to the Coalition of National Voluntary Organizations  
on the evaluation of Health Canada's  
Financial Assistance to National Voluntary Health  
Organizations  
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## EXECUTIVE SUMMARY

The Agora Group helped the Coalition of National Voluntary Organizations (NVO) to evaluate Financial Assistance (FA) from Health Canada to national voluntary health organizations (NVHOs) and FA's impact on capacity building in NVHOs that FA has funded since 1997. Financial Assistance has sometimes been called the "Transitional Funding Initiative" among NVHOs. However, the term Transitional Funding Initiative has caused confusion, in large measure because it is not clear what the "transition" is.

The evaluation is meant to:

- assess FA's effects on the capacity and sustainability of NVHOs
- identify other factors and strategies that would address capacity and sustainability, and
- examine alternative strategies and approaches to building and maintaining capacity, and addressing long-term sustainability, within NVHOs.

The February 1999 report of the Broadbent Panel, *Building on Strength: Improving Governance and Accountability in Canada's Voluntary Sector*, provided a clear sense of the challenges faced by the voluntary sector – challenges that initiatives like Funding Assistance have helped NVHOs to address:

*"Discharging the obligations of accountability requires resources and support at both the organizational and sectoral levels. Before we can consider how the accountability of the voluntary sector might be enhanced to meet new demands, we need to look seriously at whether the capacity exists within the sector to meet existing needs.*

*As a result of government cuts to funding, often combined with downloading onto the sector of services once provided by governments, there is intense competition for funds, not only within the sector but often with governments directly. The pressure to deliver more and more sophisticated services has stretched the financial and human resources of many organizations. Information technology has become an essential tool for effective communication and management in the modern organization, yet voluntary organizations lag badly behind the other sectors in this regard. Coupled with demands by funders for outcome-based performance measurement, there has been a growing need for greater professionalization of staff and training of volunteers."*

Federal government financial support for NVHOs has changed dramatically over the years. During the 1980s and the first half of the 1990s, government accepted the need to provide ongoing five-year term grants to support the national offices of voluntary health organizations. Stable long-term funding was accepted as the best way to lever much larger contributions from volunteers. At its peak, the Grants to NVHOs Program provided about \$3.5 million per year to over 50 NVHOs. With government fiscal restraint in the early 1990's, however, there was a move away from core/operational funding of NVHOs to a more targeted approach to individual and sector-wide development. In 1996-97 the

Grants to NVHOs Program was terminated and modest help, called Financial Assistance<sup>1</sup> was subsequently provided to former grant recipients on a year to year basis. In 2002-03, 23 NVHOs received FA support. FA was established as a laudable interim “life raft” to help vulnerable NVHOs at a time of budget cutbacks, and it did not have all the characteristics of an ongoing Health Canada program, because it was not, and is not, an ongoing program.

FA has two components – Organization Development Grants and Sector Initiative Grants. NVHOs must apply for funding each year, but only if invited to do so by Health Canada. Proposed grants must address one or more of these objectives:

- increasing the effectiveness and national leadership of organizations
- enhancing volunteerism
- promoting collaboration between Health Canada and the NVHOs.

Evaluation of FA is timely. Over the last five years, the Government of Canada has made it a priority to work with the voluntary sector to strengthen the sector's effectiveness and improve the relationship between the sector and the Government of Canada. They are doing so via the Voluntary Sector Initiative (VSI).

The evaluation is rooted in a logic model developed early in the evaluation process that identified four long-term outcomes (or objectives) of FA for NVHOs. Thirteen program/service areas were then identified through the logic model process. Intermediate outcomes, short-term outcomes and activities, and evaluation indicators were then grouped within these long-term outcomes and program/service areas.

A logic model can be applied to a whole system and parts of a system. It can be used to:

1. evaluate the effectiveness of FA as it has existed to date
2. evaluate the effectiveness of a specific FA project
3. assist in the planning and evaluation of an FA successor program.

Qualitative data from NVHOs and others involved in FA were gathered to produce a picture of the impact of FA on elements in the organizational lives of NVHOs related to capacity and sustainability. The data sources were structured interviews with a sample of NVHOs that received funding and several that did not; follow-up in-depth interviews with a subset of the funded NVHOs; and interviews with Health Canada officials, officials of the Coalition of National Voluntary Organizations (NVO), the Health Charities Council of Canada (HCCC) and members of a national committee that reviews FA proposals.

Data gathered from funded NVHOs included ratings of the degree to which the NVHOs believe the FA funding they received contributed to achievement of 23 desired outcomes identified in the logic model. The findings highlight the differences between small NVHOs and medium NVHOs in terms of benefits derived from FA grants. For both groups, sector initiatives were particularly valuable in building collaboration with other NVHOs, often as collateral consequences of a sector initiative event.

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<sup>1</sup> “Financial Assistance” is used in this report to refer to an annual set of activities that do not, strictly speaking, have a name because they do not constitute a formal Health Canada program.

Both FA funded and non-FA funded NVHOs favourably cite NVO, HCCC and Health Canada officials for their roles in collaboration and for contributing to NVHO capacity and sustainability.

Many respondents, regardless of their connection to FA, said during interviews that FA is limited because each grant is only one year in duration, it is an initiative for which only some NVHOs are eligible to apply, and it does not allow for funding of core costs (infrastructure or programming costs). These limitations are in place almost entirely because FA is not a formal Health Canada program. It is an initiative that depends on the identification by Health Canada officials each year of lapsed funds that can be applied to FA grants. Since it is not a formal program it must function only on a year-to-year basis. There is evidence, however, that some NVHOs are not aware that FA is not a formal Health Canada program.

## ***Findings***

The following key findings emerged from instruments used this project:

### ***How FA Helped NVHOs***

- NVHOs generally believe FA has helped them improve many facets of their activities – particularly their capacity.
- Although both small and medium NVHOs reported improvements as a result of FA funding, medium NVHOs generally reported greater improvement.
- For both small and medium NVHOs, improvements were considered relatively high for collaboration with other NVHOs, governance, stakeholder communication, evaluation, identifying agency policy priorities, and working in both official languages.
- Medium NVHOs (but not small NVHOs) indicated relatively high improvement as a result of FA grants in fundraising, volunteer development, workforce issues, and policy collaboration with Health Canada and NVHOs
- Small NVHOs (but not medium NVHOs) indicated relatively high improvement as a result of FA grants in the area of accountability.
- Most NVHOs expressed substantial support for the work of Sector Initiative (SI) grants as a way to strengthen individual NVHOs, and NVHOs as a system.
- SI grants sometimes pose organizational burdens for NVHOs that sponsor sector initiatives.
- NVO Health Issues (the part of NVO dealing specifically with health-related national voluntary organizations) and the Health Charities Council of Canada (HCCC) both receive FA funding and both are seen as major positive outcomes of FA grants, in part because these organizations provide vehicles for policy-related discussions among NVHOs, and in part because they help NVHOs to learn together and to debate and decide together. However, there is some lack of clarity between the roles of HCCC and the health issues component of NVO.

- NVHOs identified ancillary effects of FA funding: a grant for one purpose (e.g. public awareness) may help with other functions (e.g. volunteer recruitment).
- NVHOs sometimes meld an activity funded by FA with a non-FA activity (e.g. putting a board meeting and an education session back-to-back and covering travel costs through an FA grant) as a responsible way to make best use of the total array of resources available to them.

### ***Improvements Proposed by NVHOs and National Review Committee Members***

- Most NVHOs believe Health Canada should provide core funding to some NVHOs (but not necessarily to all NVHOs) via a grant program. Two kinds of core funding were identified:
  1. infrastructure assistance (e.g. basic staffing costs, offices costs and supplies)
  2. programmatic activities assistance (e.g. public education, contributions to research, and patient support)
- Many NVHOs believe that even if there is a core funding stream in a redesigned Health Canada grant program to NVHOs, there should be project funding streams as well, identical or similar to the two FA streams.
  1. organizational development grants
  2. sector initiatives.
- Some NVHOs believe that even if core funding is provided to NVHOs, some will not survive even with such funding and should therefore not be funded, based on demonstrable criteria for removal from the funding stream.
- Most NVHOs believe capacity-building projects cannot be “one time”. They may need to be repeated regularly (board member training for instance).
- Most NVHOs think funding (both core and project funding) should be multi-year in nature.

### ***Relationships With Health Canada***

- Many NVHOs are highly appreciative of the assistance provided to them by Health Canada staff affiliated with FA.
- Some NVHOs say the NVHO-Health Canada relationship should be a partner-to-partner relationship, but they say it sometimes does not feel like a partnership between equals.
- Some NVHOs believe Health Canada staff can and should provide an opportunistic window into how Health Canada and other parts of the Government of Canada work, and how those parts of government can assist NVHOs.

### ***Accountability and Proposal/Project Development and Review***

- Many NVHOs believe they are accountable. However, they worry about the possibility of future accountability tools that are duplicative or take too much time away from other NVHO activities, or are exercises in providing numbers that do not reflect core accountabilities for service to stakeholders.
- Most respondents believe the annual FA review process benefits from having an external review dimension (e.g. the National Review Committee), although reviewers themselves suggest a number of ways to improve the process, including greater feedback from Health Canada on the results of their work.
- Some NVHOs do not think they get enough feedback when their proposals are not fully funded.
- Many NVHOs and NRC members believe time frames for completing proposals are too short and often make it hard to involve an NVHO board in shaping or approving a proposal. NVHOs often recognize that time frames are determined by the way Health Canada has to find and designate FA money, given that FA is not a formal program.
- How Health Canada decides on its FA priorities each year is not clear to most NVHOs, and they feel the process would be strengthened if they were more involved in shaping the priorities, as individual NVHOs or collectively through NVO/HCCC.
- Some NVHOs believe there is need for a web-based resource for holding and disseminating information across NVHOs (including information developed via FA grants). These NVHOs believe NVO/HCCC has a role in running such a resource.
- NVHOs (some that received FA funding and many that did not) and many members of the National Review Committee are concerned about limitations on who can apply for FA grants.

### ***The Logic Model***

- The development and use of a logic model is a precondition for any Health Canada program.
- Individual projects can be designed using a logic model.
- It can be used for a whole system, and also for the parts of the system.
- The logic model process allows an organization or system to develop links between a few broad goals and many specific activities, including all the intermediary stages.
  - The logic model allows identification of concrete outcome measures for a program, organization or project.
  - *Benchmarks of Excellence for the Voluntary Sector* (an organizational diagnostic and quality improvement tool developed by NVHOs as a result of FA funding) allows many people in an organization to play a role in determining where the organization is strong and where it needs improvement.
  - *Benchmarks of Excellence* also allows post-initiative assessment of whether the people in an NVHO believe improvements have resulted from the initiative.

These assessments may still largely be impression-based (akin to evaluation of satisfaction) but in the absence of more robust evaluation measures and in the possible absence of enough funds to use more robust measures even if they existed, *Benchmarks of Excellence* is a valuable tool.

## **Recommendations**

In addition to presenting these findings, this report recommends that:

### **Recommendation One:**

- an investment strategy for the future to support NVHOs should be developed. This strategy should operate within a mutual strategic investment framework (described in this report) that is consistent with the *Accord* between the Government of Canada and the voluntary sector, and with the *Code of Good Practice on Funding* endorsed by both parties as part of the Voluntary Sector Initiative.

The four streams within the program would be:

1. an **infrastructure investment fund** for those NVHOs who – on the basis of objective criteria – should not be expected to fund their entire bare-bones infrastructure costs
2. **sector initiative grants**, awarded based on need as demonstrated by logic model and benchmark processes
3. **organizational development grants**, also based on evidence from logic model and benchmark processes
4. a **system infrastructure** grant to help fund HCCC and the Health Issues Office of NVO.

### **Recommendation Two:**

- The investment strategy should not be based on the assumption that all NVHOs who avail themselves of the investment will be able to “graduate” to a level at which they do not need the funding. Some NVHOs are very small, and because of the nature of the health issues on which they focus, there may be little chance that they can build a sufficiently high revenue stream to allow them to cover all their infrastructure costs.

### **Recommendation Three:**

- If this investment strategy is not developed by and for NVHOs, and if FA continues in subsequent years, a number of things should still be done to maximize the chances of success in fostering capacity and sustainability in NVHOs:
  - Health Canada should allow for the possibility that NVHOs that do not currently qualify to apply for FA funding should be allowed or invited to do

so. This need not be a blanket invitation: it could be extended to a subset of NVHOs.

- A standard set of performance indicators should be developed, based on the results of the logic model, to be used across NVHOs in determining their success in achieving capacity and sustainability, and should be correlated with *Benchmarks of Excellence*.
- An electronic library of all products of FA grants should be developed and publicized, and available on the Internet.
- Subject to limitations of privacy, an ongoing data base should be developed containing an inventory of all FA grants and showing the extent to which FA grants have met specific targets. In aggregate form, the results in this data base should be accessible to NVHOs.
- The idea of rationalizing those functions and activities that are carried out by NVO or HCCC and that use FA funds should be explored.

***Recommendation Four:***

- If an investment strategy is developed, several of the improvements cited in Recommendation Three should be embedded in the strategy, i.e.:
  - a standard set of performance indicators, based on the results of the logic model and correlated with *Benchmarks of Excellence*
  - an electronic library of all products of FA grants
  - an ongoing data base containing an inventory of all FA grants and outcomes, available in aggregate form to NVHOs
  - rationalizing functions and activities carried out by NVO or HCCC through investment funds.

***Recommendation Five:***

- The logic model developed as part of this project requires further work and validation by NVHOs, This can take place as follow-up to the current evaluation project.

***Recommendation Six:***

The indicators developed in the logic model process, melded with the key elements in *Benchmarks of Excellence*, should form the basis for development of indicators of success for any future support program for NVHOs. This would allow consistent measurement of achievement of capacity and sustainability, within and across NVHOs.