The Voluntary Sector Initiative Process Evaluation

Final Evaluation Report

Audit and Evaluation Directorate
Strategic Direction
Social Development Canada

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Preface

The Voluntary Sector Initiative (VSI) is a five-year $94.6 million initiative aimed at creating a closer working relationship between the federal government and the voluntary sector. The purpose of the initiative is to strengthen the voluntary sector's capacity to engage in policy dialogue and to enhance the relationship between the sector and the federal government, in order to better serve Canadians. To this end, the Initiative was also designed to strengthen the capacity of the sector in areas of knowledge, human resources financial support policy and public administration and also to improve the regulatory and legal framework under which the sector operates.

Initially the VSI was coordinated through the Privy Council Office. In October 2002, at the end of Phase I of the initiative, management responsibility for the coordination of the VSI was transferred to Canadian Heritage. It was at that point that evaluation work was undertaken to examine certain operational delivery and process issues, in particular how the VSI worked and any areas in need of further improvement. The evaluation was conducted in order (a) to comply with Treasury Board guidelines ensuring Parliament is adequately informed about the results achieved from the expenditure of public funds; and (b) to provide an important base on which to build a more in-depth impact evaluation analysis described below.

In 2003 as the evaluation progressed at Canadian Heritage and the final report was nearing completion the program once again moved from one department to another. As a result of the December 2003 realignment of departments the VSI functions were transferred to the newly created Social Development Canada (SDC). The program arrived at SDC with a fully completed Process Evaluation of the Voluntary Sector Initiative which needed to be approved for publication.

The VSI is very much a unique initiative; it is essentially a co-managed experiment at building a working relationship in the social development field between the federal government and the voluntary sector. Essentially the process evaluation undertaken focuses on exploring the relationship and governance structures emerging between the federal government and the voluntary sector and how these have been improved by the processes associated with the implementation and delivery of the VSI.

To supplement the current evaluation findings, Social Development Canada is about to commence a more in-depth evaluation of the Voluntary Sector Initiative's longer-term impact effects. Specifically the following key areas will be the focus of future work:

> ➤ What has been the value-added to the federal government operations and activities as a result of the VSI?
> ➤ Similarly what has been the value-added from the Sector's perspective? and
> ➤ What have been the benefits for social development processes across Canadian society as a whole?

In addition to the above, the other standard evaluation requirements set out in the Treasury Board Policy on Evaluation will also be addressed.

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Introduction: The VSI as an Experiment in Two Dimensions

In Canada, as elsewhere, the roles of both government and the voluntary sector – and the relationship between the two – are undergoing important changes. In recent years, governments have recognized that they cannot go it alone in policy development or service delivery, but need to work cooperatively with the private and voluntary sectors to achieve their desired results. For its part, the Canadian voluntary sector, like those in other countries, has begun to act more collectively as a sector and is seeking a stronger voice and more active participation in policy processes. The five year, $94.6 million Voluntary Sector Initiative (VSI) that was announced in June 2000 is an unprecedented exercise in working together for the Government of Canada and the voluntary sector. The objectives of the VSI are to strengthen the voluntary sector's capacity to meet the challenges of the future and to enhance the relationship between the sector and the federal government.

The VSI is unlike any exercise in joint work between government and the voluntary sector that has ever been undertaken in Canada, or elsewhere for that matter. It is first of all distinguished by its **scope**. As part of its overarching goals of capacity and relationship building, the VSI undertook a wide range of specific tasks: developing an Accord between the Government of Canada and the voluntary sector and associated codes of good practice related to funding and policy dialogue; improving the sector's access to the benefits of technology; increasing recognition of the sector among the public and government; developing new knowledge and research about the sector; enhancing human resource and other skills; promoting the role of volunteerism as a legacy of the United Nations International Year of Volunteers in 2001; improving the regulatory climate; and enhancing the ability of voluntary organizations to participate in policy development. The VSI is not only comprehensive in its objectives, but it is also fundamentally about building a better relationship between the Government of Canada and the voluntary sector. In this sense, both product and process are important.

Second, the **joint process** for achieving these objectives is innovative. In the first phase of the VSI, from the fall of 2000 to the fall of 2002, six "Joint Tables" and a joint coordinating committee worked together to deliver on this broad agenda. Each Joint Table was comprised of 14-16 members chosen in equal number from the public service of Canada and the voluntary sector, and each was co-chaired.

The third defining feature of the VSI is its **scale**. The Joint Table phase of the Initiative was aimed at engaging the Government of Canada, as a whole, and Canada's voluntary sector, as a sector. This scale meant that both a large number of federal departments and the broad diversity of the voluntary sector needed to participate in some manner or be consulted as part of the Initiative.

The Joint Table phase of the VSI was thus an exercise in **collaboration** *and* in **horizontal management**. The first could be thought of as its vertical dimension – working jointly between government and the voluntary sector. The second is its horizontal dimension – managing the process across government and within the voluntary sector.

A Process Evaluation

This evaluation is part of the ongoing learning process of the VSI. It was commissioned in the spirit of the VSI itself as a joint undertaking by the Government of Canada and the voluntary sector. This report is an evaluation of the **process** of the VSI. Its purpose is to assess how the VSI worked and how well it worked up to the end of the two year Joint Table phase that ended in October 2002. The evaluation considers all of the components of the VSI except the program known as Sectoral Involvement in Departmental Policy Development (SIDPD) which has been evaluated separately.

In examining the process, the evaluation focuses on assessing the conduct of the VSI from the perspective of those who were *directly involved because they had some responsibility for carrying out work on behalf of the Initiative.* While not strictly a self-evaluation, the insights of participants are valuable because they have first hand knowledge of what was effective and what was not. In addition, because they are senior public servants and voluntary sector leaders, many of whom had previous experience in working collaboratively, they are well placed to provide critical judgments and make constructive suggestions for improvements.

This evaluation draws on multiple sources of evidence including a full review of the documents produced for the VSI and an extensive set of interviews. A total of 102 structured interviews, lasting on average one hour and twenty minutes, were conducted from mid February to mid April 2003 with a cross-section of VSI participants drawn in roughly equal number from the Government of Canada and the voluntary sector.[1]

Four key evaluation questions are addressed:

> ➢ How effective were the structures, policies and operations of the VSI in helping the Initiative achieve its objectives?
> ➢ What were the success factors and what were the barriers to effective collaboration and horizontal management?
> ➢ What could have been done differently and more effectively, and what were the realistic, practical alternatives?
> ➢ What are the lessons learned for future, sustainable collaboration between the Government of Canada and the voluntary sector and for horizontal management within each?

The Components of the VSI: An Overview

The VSI was designed both to facilitate joint work and incorporate a broad basis of participation across the federal government and the voluntary sector. The VSI was intentionally decentralized, meaning that its responsibilities were spread across a number of joint mechanisms and federal departments.

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[1] Their perceptions of the effectiveness of the various parameters and processes of the VSI were assessed in a systematic way by asking for ratings (on a 0 to 10 scale) of the key dimensions. These ratings were supplemented by more open-ended questions that enabled participants to elaborate, in their own words, on how and why the process worked as it did.

Joint Mechanisms

The primary vehicles for collaboration between the Government of Canada and the voluntary sector were six Joint Tables:

- ➢ Joint Accord Table (JAT)
- ➢ Awareness Joint Table (AJT)
- ➢ Capacity Joint Table (CJT)
- ➢ Information Management/Information Technology (IM/IT)
- ➢ National Volunteerism Initiative Joint Table (NVI)
- ➢ Joint Regulatory Table (JRT)

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

Separate Components

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

Coordination and Governance

A Joint Coordinating Committee (JCC) was charged with responsibility for coordinating the various components of the VSI. For the Government of Canada, political leadership was provided by a Reference Group of Ministers and by an Assistant Deputy Minister (ADM) Executive Committee. They were assisted by a broader ADM Advisory Committee and by three interdepartmental committees. On the voluntary sector side, leadership was assigned to a body known as the Voluntary Sector Steering Group (VSSG). It was built around a core group, the Voluntary Sector Roundtable, which was an unincorporated association of 12 representatives of national organizations and coalitions from the major parts of the sector that had provided policy leadership for the sector since the mid 1990s. It also included the sector co-chairs of the Joint Tables, the chairs of the sector only Working and Reference Groups, and the sector members of the JCC.

The main components of the VSI are illustrated in Figure 1.

FIGURE 1
Main Components of the Voluntary Sector Initiative
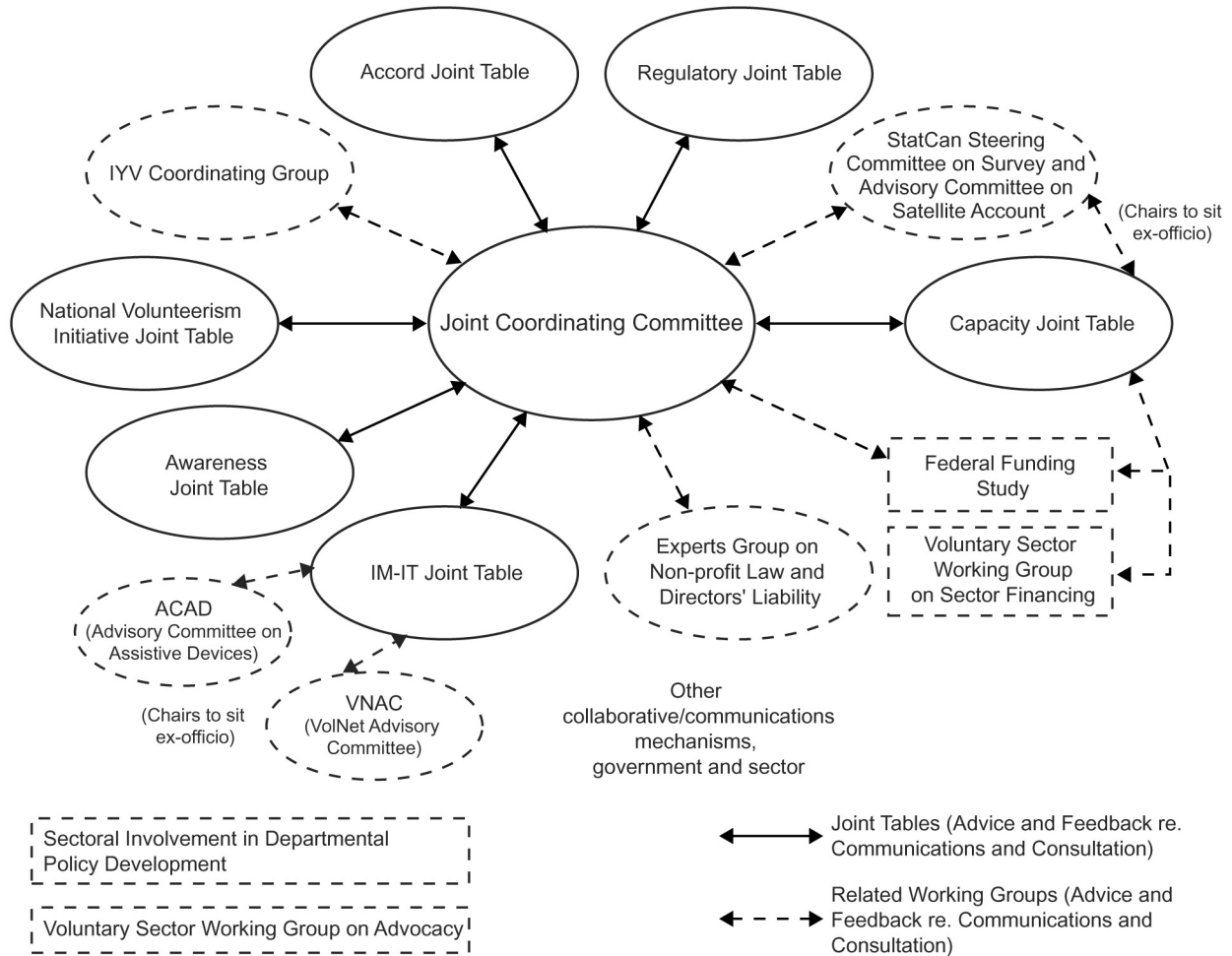
Departmental Decentralization

Because the Joint Tables and other collaborative mechanisms were not themselves legal entities, they could not hold and administer their own budgets, so ten government departments played important roles in financial administration and as secretariat support. These departments tended to act relatively autonomously in serving their Joint Tables and managing their funding envelopes. This autonomy was reinforced by the fact that they were under no requirement to report to any central body of the VSI on their activities.

Secretariat Support

Staff resources for the VSI were structured so as to support both its joint and its decentralized nature. The Initiative was supported by two main secretariats. The Voluntary Sector Task Force (VSTF), housed at the Privy Council Office, coordinated and supported the government's VSI activities and its relationship with the voluntary sector. An innovative feature of the VSI was the creation of a separate secretariat for the voluntary sector, the Voluntary Sector Initiative

Secretariat (VSIS), that was responsible for supporting the sector's participation and for communicating with and engaging the broader sector. Both jointly served the JCC and the Joint Accord Table. Most of the other Joint Tables had their own secretariats which were housed in departments and staffed mainly by public servants, although several hired some members from the voluntary sector as well.

Results of the VSI to the End of the Joint Table Phase

Although this evaluation is not an assessment of the products or the outcomes of the VSI, it is helpful to have a sense of what has been achieved to the end of the Joint Table phase. These impacts can be measured in several ways.

Objectives Met

The first test is whether the work got done. And, for the most part, it did. However, it took much longer than initially expected to get the Joint Tables up and running. There was then a lengthy period – some 10 months for most – of relationship building, visioning, discussion of mandates and development of workplans. So, completing work to schedule did not always go exactly as planned.

A Better Relationship

A second test is whether, at the end of two years of working together, participants felt that the relationship between the Government of Canada and the voluntary sector had improved. The general view held by both sides is that the relationship was moderately better at the end than it had been at the beginning.

Perceptions of the Process

A third measure is the self-assessment by participants of how effective the VSI was as a process and in accomplishing its objectives. In general, both process and outcomes were rated as moderately effective, on average 6.9 and 6.7 (out of 10) respectively. Finally, was the VSI seen to be a worthwhile endeavour for: the voluntary sector; the Government of Canada; and participants themselves? The answers are a definite yes on all three counts, as expressed equally by the voluntary sector and government participants.

The Key Evaluation Questions

The four evaluation questions addressed in this report are intended to explain the factors that account for both the successes and the shortcomings of the VSI process.

1. How effective were the structures, policies and operations of the VSI in helping the Initiative achieve its objectives?

As governments and the voluntary sector have gained experience in working collaboratively, some of the important factors that contribute to success in collaboration and horizontal management have become clearer. These include:[2]

- ➢ Acknowledgment of the Need for Collaboration and Horizontality
- ➢ Clarity and Realism of Purpose
- ➢ Establishment of Clear and Robust Arrangements
- ➢ Commitment, Ownership and Leadership
- ➢ Development and Maintenance of Trust
- ➢ Governance, Accountability and Organizational Learning

To what extent did each of these factors contribute to the effectiveness of the VSI?

1.1 Acknowledgment of the Need for Collaboration and Horizontality

The commitment to working jointly and the means for achieving this were shaped in important ways by several developments in the five year period leading up to the creation of the VSI in 2000. During this period, the relationship between the voluntary sector and the Government of Canada underwent significant change. The early to mid 1990s had been a difficult period in their relationship. Federal Program Review imposed significant cuts on the funding of a wide variety of voluntary organizations, particularly on those engaged in advocacy, and their legitimacy was questioned by portraying them as "special interests."

The first major step in changing the relationship was taken in 1995 when leaders representing most parts of the sector came together to form the Voluntary Sector Roundtable and it began to assume a critical role in providing policy leadership. Following the 1997 election, the federal government began to take steps to implement commitments made to better engage the sector. An interdepartmental committee of ADMs, led by Revenue Canada (now the Canada Revenue Agency), was at first put in charge of this process. The committee did not make significant progress, however, because it had no dedicated staff resources and because Revenue Canada's mandate was too narrowly focused on charities to build a broad community of interest across departments. It was evident that a more central focus was needed, so in 1998 the Voluntary Sector Task Force, based at the Privy Council Office, was established.

As government moved forward in implementing its commitments, it took another innovative step. Rather than preparing the standard Memorandum to Cabinet which would have entailed strict requirements for secrecy, a less formal 'Aide Mémoire' was developed that enabled public servants to test ideas with voluntary sector leaders. It is an example of how traditional mechanisms of policy development can be made more flexible in order to accommodate greater openness and collaboration.

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[2] See Bob Hudson and Brian Hardy, "What is a Successful Partnership and How Can it be Measured?" in Caroline Glendinning, Martin Powell and Kirstein Rummery, eds., *Partnerships: New Labour and the Governance of Welfare*. Bristol: The Policy Press, 2002, pp. 549-64; see also Mike Smith and Mike Beazley, "Progressive Regimes, Partnerships and the Involvement of Local Communities: A Framework for Evaluation," *Public Administration*, 78, 4, 2000, pp. 855-78; and V. Lowndes and C. Skelcher, "The Dynamics of Multi-Organisational Partnerships," *Public Administration*, 76, 1998, pp. 437-54.

The Voluntary Sector Roundtable had undertaken a crucial step of its own during this period by setting up the [Broadbent] Panel on Governance and Accountability in the fall of 1997. This independent panel of experts was tasked with conducting research, consulting broadly, and making recommendations on improving accountability in the voluntary sector. The Broadbent Panel saw its mandate as an opportunity not only to consider how governance and accountability might be enhanced *within* the voluntary sector, but to address how the sector's relationships with governments, particularly the federal government, might be improved. Its February 1999 report, containing more than forty recommendations, was a milestone for the sector, both because it set out an agenda for action and because it gave the sector confidence and greater cohesion.

At this point, both government and the sector recognized that the best way to proceed was in a joint manner. An innovative idea for a structure for how to do this – the concept of a "joint table" – was proposed. In the spring of 1999, three co-chaired Joint Tables, known collectively as *Working Together*, were created with seven members each from government and the voluntary sector (as chosen by the sector). From all accounts, *Working Together* was highly successful, affording open and honest dialogue about policy issues and, in a mere four months, arrived at a set of a 26 consensual recommendations for improving the relationship, building capacity and reforming the regulatory framework.

Following the release of the *Working Together* report in September 1999, there was a long hiatus as government developed a Memorandum to Cabinet, and by requirement did so in secret. Before finalizing it, government officials took an unusual step in consulting with the voluntary sector representatives who had participated in *Working Together.* The sector leaders suggested certain financial targets and they were accepted. Because almost a year had passed by this time, the Government of Canada and the voluntary sector wanted to move quickly in establishing the VSI, getting it funded, and being able to produce some early deliverables. Therefore, some critical decisions regarding its structural design were based largely on the success of past experience. This run-up period set a positive tone for what would follow and ensured that the first principle of effective collaboration – acknowledgment of the need for joint work – was met and sustained throughout the ensuring process.

1.2   Clarity and Realism of Purpose

Most of the goals and objectives of the VSI were taken directly from the recommendations of *Working Together*, carrying forward approximately 60 percent of its proposals. Because there appeared to be an open policy window at the time, all of these objectives were pushed through it at once, without establishing priorities among them. This made for a broad agenda, perhaps necessarily so given the work of its predecessor.

Was the mandate of the VSI too broad? The majority view among participants is that the VSI suffered from goal overload. While *Working Together* had been focused around three themes – relationship, capacity building, and regulation – the mandate of the VSI appeared diffuse and without clear priorities that were sequenced in time. Of course, assessment of whether a mandate is too broad depends in large part on the time frame. Most VSI participants felt that, given the broad mandate, more time was required. This was particularly so because considerable time was spent at the front end in developing relationships and building trust within the Joint Tables before they turned to the content of their work. If the mandate had been more focused and issues prioritized, however, a two-year period would probably have been sufficient.

Perhaps a more significant factor than the breadth of the mandate was how adequately it was communicated to those responsible for carrying it forward and the extent to which there was a common agreement between both partners as to what was part of the mandate and what was not. Clarity of purpose was hindered by an initial lack of focus on outcomes. At the start, no one defined what success would look like and there was no clear 'endgame' in sight. Visioning exercises were eventually undertaken and these were extremely useful, but they were introduced relatively late in the process.

The mandate was also clouded by the status of three of the voluntary sector's key issues: 1) the regulation of advocacy; 2) access to tax benefits; and 3) financing the sector. Whether the government had stated unequivocally that these were off the table for discussion, or whether ministers were prepared to discuss them at a later point, albeit not initially, remained ambiguous to most of the voluntary sector participants, and thus became an ongoing source of criticism.

Clarity of their own mandates had an impact on the work of the Joint Tables. The clearer its mandate, the more swiftly a Joint Table got on with its work. Several Joint Tables spent considerable time, in some cases more than a year, debating, defining or redefining the mandate. In part, this may have been due to a sense among some participants that they had a certain luxury of time. Members of two Joint Tables believed that they had five years, not two, in which to complete their work. This confusion is understandable given that all of the public announcements described the VSI as being a five year initiative, and the reality was not clarified or, at least, was not fully processed by Joint Table members.

The Joint Regulatory Table ran into a serious crisis – indeed, almost imploded – as a direct result of the lack of clarity of its mandate. The problem was that the mandate was contained in the Memorandum to Cabinet and thus could be read only by the government members. The JRT had begun its work quite promptly, taking a broad interpretation of what it presumed to be its goals. Some eight months into this process, a new government member noted that the actions being pursued overstepped the mandate, and these had to be curtailed. Means of communicating the mandate beyond the Memorandum to Cabinet, such as a briefing for the table members or establishing written terms of reference, might have gone a long way to averting the crisis.

1.3   Establishment of Clear and Robust Arrangements

The four main challenges for the VSI in establishing a structural framework were to:

 ➢ develop mechanisms for collaboration;
 ➢ involve a broad range of participants from both the voluntary sector and government;
 ➢ create means for coordinating the various components of a decentralized initiative; and
 ➢ provide adequate financial and staff resources to support its work.

The Joint Work

As a vehicle for collaboration, the Joint Table model that had been so successful in *Working Together*, seemed to be the obvious choice. Based on the assessments of both government and voluntary sector participants, it was a good choice. The Joint Tables facilitated frank discussions that promoted the development of trust and greater mutual understanding.

The nature of the tasks assigned to the Joint Tables varied greatly from policy work, such as developing the Accord, to more operational activities such as designing specific projects to

enhance capacity. The working styles used by the Joint Tables for accomplishing their work also differed. Two of the Joint Tables (Joint Accord and JCC) described their approach as being akin to a policy board in which the members gave directions to staff, reviewed their work and took action based on it. Several others took a more operational approach in which members were very hands-on, dealing directly with details that a policy board might have assigned to staff. Others used a combination of the two styles, depending on the task at hand and evolving over time.

Was one style more effective than the others? Not necessarily. The Joint Tables that seemed to be most successful both in relationship building and in achieving their goals were those that were more policy oriented than operational, that made effective use of staff, that had clear mandates to begin with, and that had strong leadership from the co-chairs.

Involving the Voluntary Sector and Government

In an initiative intended to bring together the voluntary sector, as a sector, and the Government of Canada, as a whole, an important question is: who legitimately represents and speaks for each?   This is necessarily a more complex issue for the voluntary sector than for government.

The VSI explicitly chose a model of representation that focused on individuals, not organizations. It brought people into the process who collectively represented a broad, diagonal slice of the sector. Ensuring broad representation was the responsibility of the voluntary sector. An independent selection committee was charged with managing an open and inclusive nomination process and selecting individuals according to a matrix of criteria (such as region, size of organization, sub-sector, etc.).

A remarkable aspect of this process was the level of interest within the sector. The call for nominations received an enormous response, with more than 1000 applications received. Drawing from this list, the voluntary sector achieved a reasonable degree of representation for their 65 places on the Joint Tables and Working Groups, although the Aboriginal and visible minority communities were initially under represented and the Initiative never managed to maintain strong participation from Quebec.

The disadvantage of this diagonal slice approach is that it did not necessarily bring people to the table with broad leadership and policy skills. The representatives of small organizations who had no previous experience in policy development or in working with the federal government sometimes found it a challenge to contribute effectively in this context.

On the government side, some 23 departments were involved, but there was only one participant from outside the National Capital Region.

Structures for Horizontal Management

The recommendation of the *Working Together* report had been to have a central implementation team, supported by the Voluntary Sector Task Force. This was considered by government to be impractical because the Privy Council Office does not have the program authority to hold funds. In addition, there had to be incentives for relevant departments to come on board in the implementation phase. This would be facilitated if they had direct involvement and some control over financial administration.

In setting up the VSI, a key issue then was to determine how many Joint Tables would be needed. From the perspective of the VSTF at least a joint table with responsibility for developing the high priority Accord and a joint steering committee were required. The departments charged with various pieces of the VSI signaled that they also wanted to adopt the Joint Table model. This led to the establishment of six Joint Tables, each of which was affiliated with a department rather than being under the direct control of a common centre.

The complexity of this decentralized design was problematic from the perspective of both government and voluntary sector participants. The structure was commonly described as being laborious and cumbersome. Simply put, more structure meant more process. Because the Joint Tables were 'owned' by departments, neither the JCC nor any other central body could drive the process; they could only monitor it. This produced a general sense that an inordinate amount of time had to be spent in process – in coordinating, communicating, managing the information flow, and so forth.

Financial and Staff Resources

The VSI had a total budget of $94.6 million over five years. The amount allocated to the two year Joint Table phase (excluding the funding for SIDPD) was approximately $58.1 million. In total, the funding was allocated among the activities shown in Figure 2.

FIGURE 2
Allocation broken down by activity (in millions)
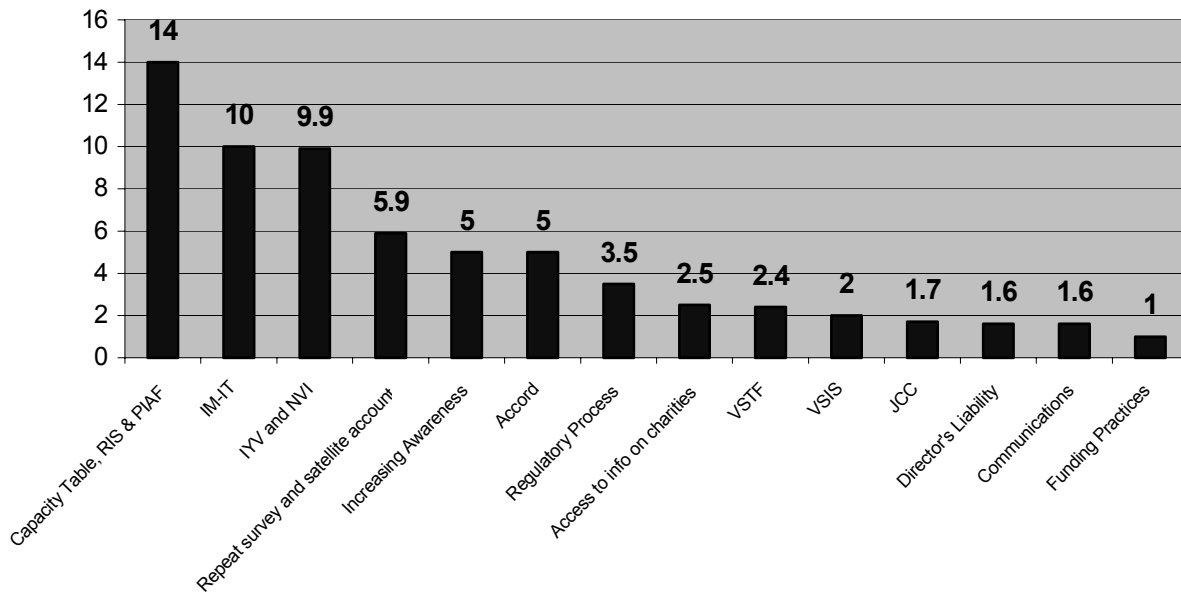
The overall amount of funding for the VSI was seen by participants to be wholly adequate. The *distribution* of resources, both across the different activities of the VSI and over fiscal years was an issue, however. The main challenge stemmed from the fact that the budget allocations had to be established at the outset, long before the specific objectives and work plans that were to be developed through the joint process were known. In addition, funding went to individual departments and not to the horizontal initiative as a whole so it could not be easily moved across departments and programs. For many of the Joint Tables, the process of building relationships and learning to work together took more time than had been anticipated. Consequently, the

budget profile did not match actual spending needs very well, particularly in the first year, which resulted in some funding being lapsed (meaning it was not spent and was returned to the government's Consolidated Revenue Fund).

For the most part, the staff resources of the VSI were also seen to be adequate to very good indeed. Where problems arose with the Table Secretariats it was mainly because personnel were not hired soon enough or in adequate numbers, or the type hired did not complement the working style of the Table. In particular, when a Joint Table tried to work as a policy board of directors, the Table would have benefited from having the equivalent of an executive director among the secretariat staff, and few departments hired at this level.

The most serious challenge of staffing, however, was turnover at the VSTF, particularly as the Joint Table phase was winding down. Although the rate of turnover at the VSTF may have been no higher than it is in most government departments at the present time, the temporary nature of the task force ensured that the length of staff appointments would necessarily be for short, fixed terms, usually no more than a year. The turnover of VSTF staff at Joint Table meetings was confusing for the members and provided little incentive to make effective use of these staff resources.

Although the existence of two primary secretariats created some role confusion, particularly in their support of the JCC, it resulted in relatively little duplication of effort. The two Secretariats appear to have worked closely together at the Executive Director level, but less effectively at the working level where there were sometimes clashes over responsibilities and styles.

1.4   Commitment, Ownership and Leadership

Although the VSI was targeted at the voluntary sector and the Government of Canada as whole entities, the actual process of relationship building was done by people, not sectors. This meant building commitment, a sense of ownership over the process and effective stewardship of it.

Building Commitment

The VSI worked as well as it did mainly due to the strength of personal commitment by both public servants and voluntary sector representatives. People dedicated considerable time to the VSI on top of their regular full-time jobs. The amount of time they spent on VSI work varied enormously, ranging from a half day to 20 days per month. In most cases, this was much more than had been anticipated when people agreed to be part of the process.

Although there was a sense that people were committed to the VSI, maintaining continuity of participation over time was a challenge. Over the twenty months in which the Joint Tables met actively, roughly a third of the total membership changed. This turnover was much higher on the government side which had a 50 percent turnover, compared to 10 percent for the voluntary sector. Although several Joint Tables tried a variety of strategies, with differing degrees of success to mitigate the impact of such turnover, it remained a serious concern and was raised officially with senior management in government on several occasions by the VSSG and the JCC.

Creating a Sense of Ownership

An important objective of the VSI was to inform and engage the voluntary sector beyond the immediate participants in the collaboration, thereby creating a sense of ownership over the process. Several innovative approaches helped to achieve this.

A major experiment of the VSI was to operate a joint website that proved to be a very popular vehicle of communication with over 136,000 visitors from January 2001 to July 2002. Although the website was jointly operated, government communications policy required that all postings be approved by the VSTF. This created a challenge in finding common language that would resonate with the voluntary sector as well as with the government's intended message. Eventually, the voluntary sector developed its own newsletter to reach out to its constituencies. In this regard, the partners learned over time that they could speak independently without contradicting each other.

In managing the process of engaging the voluntary sector, the Voluntary Sector Initiative Secretariat made a strong effort to encourage province-wide participation and to involve parts of the sector that are normally difficult to reach, namely Aboriginal and visible minority communities, and small community-based organizations. There was also an attempt to ensure that the consultations afforded opportunities for genuine, two-way dialogue. As much as possible, the VSIS tried to work through provincial and regional networks, and hired local voluntary organizations to organize and host local events. In total, 140 consultations were held across the country, in large and small centres, in which over 5,200 people participated.

The levels of participation met expectations reasonably well, with a few exceptions of under represented groups, and the sessions provided a foundation for local and regional network building. The most effective consultations were those that rooted the VSI and its potential in the realities of local communities, and where the process was taken on board by these communities for their own future. One problem was that the consultations were time pressured. This was particularly true for the Joint Accord Table that was the first out in the spring and early fall of 2001 and that faced a deadline of having a final draft of an Accord ready for governmental approval by late October.

Responsibility for engaging federal departments and regional offices as well as the provinces and territories was a sole government responsibility, organized by the VSTF. Public servants in the regions appear to have been informed about the work of the VSI, but they were not engaged in any sustained way. Involvement of the provinces was also limited. That said, the VSI was never meant to be an intergovernmental undertaking. Its goal was to enhance the relationship of the voluntary sector with the Government of Canada, not with all Canadian governments. There may very well be a lasting impact of the VSI at the provincial level, however, because in several provinces and cities it has served as a catalyst to undertaking similar initiatives.

Fostering Leadership

The creation of a Reference Group of Ministers to provide a focal point for political leadership on behalf of the government was an innovation that broadened the base of support beyond a single minister and that could be more flexible than the full Cabinet Committee on the Social Union, to which it reported. Although the VSI had the advantage of ministerial support, it did not make particularly good use of it. With the exceptions of approval of the Accord and funding

for the Canada Volunteerism Initiative, the VSI process created little necessity for Ministers to meet to make decisions. Given the decentralized structure with departments and 'their' Joint Tables dealing with individual pieces of the VSI, relatively few major crosscutting issues needed to be delegated up to the ministerial level. As a result, the RGM met only seven times between February 2001 and August 2002.

Unlike government, the voluntary sector does not have a comprehensive authority or leadership structure, so a leadership mechanism, the Voluntary Sector Steering Group, had to be invented. The leadership exercised by the VSSG was rated very highly. In particular, it succeeded in helping the voluntary sector to be strategic, identify problems and facilitate discussions when things were not going well. It provided an important conduit for information to the JCC and gave its sector co-chair the authority to raise issues there that helped to keep the momentum of the process going. The VSSG also had an important role as ambassador, providing liaison between the sector and the Reference Group of Ministers, although this connection was not as solid as the VSSG would have liked.

In effect, the VSI created a paradox for the leadership of the voluntary sector. On the one hand, the VSI gave the sector a venue, within limits, to have its issues addressed. On the other hand, by being so consumed with the *process* of the VSI and being so much on the inside, the voluntary sector diminished its advocacy role outside of the VSI. The VSSG tried to use the VSI as a channel for dealing with emerging, difficult policy issues. Most notable was the impact of the stricter accountability regime imposed on grants and contributions that occurred around the same time the VSI was established. It did not succeed, however. When such issues could not be dealt with through the VSI mechanisms, the VSSG was *either* unwilling to step outside the process *or* found it difficult to meet with ministers directly. Officials did not encourage ministers to meet with sector leaders until the contentious issues were resolved by the VSI and, as the issues were not being resolved through the joint processes, few such meetings occurred. As a result, it was noted by some sector participants that, in their view, the voluntary sector lost its political voice.

1.5 Development and Maintenance of Trust

When participants were asked what were the successes of the VSI, the development of greater understanding and trust was a close second to the creation of the Accord and the Codes of Good Practice. What contributed to the development and maintenance of such high levels of trust? Above all was a sense of sincere commitment to the process by the participants on both sides. The Joint Tables reinforced this and were an excellent venue for facilitating constructive discussions. Although there were some cultural differences between government and the voluntary sector, it became apparent that the actual people involved were not so different. The voluntary sector discovered that many of the public servants are also volunteers. The public servants learned that many of the voluntary sector representatives run large organizations and hold the equivalent levels of responsibilities as they do. In many respects, the voluntary sector representatives who run large organizations shared more in common with their federal counterparts than with the sector representatives from very small organizations.

The willingness on the part of public servants, particularly at the JCC, to share information as much as possible and find innovative ways (such as the use of an Aide Mémoire and later an invitation to the sector co-chair of the JCC to brief ministers about a Memorandum to Cabinet), also contributed to building trust. Experimentation in openness was not a uniform process,

however, as the Privy Council Office tended to work under more traditional norms of government confidentiality. The requirement for confidentiality at certain times in the midst of a collaborative process created a number of challenges for both parties. The experience of the National Volunteerism Initiative Table is a prime illustration. The recommendations of the NVI were to be used in writing the Memorandum to Cabinet for the Canada Volunteerism Initiative in the fall of 2001. When it came to writing this, the process naturally became highly confidential and its contents could not be shared even with the members of the Joint Table. Consequently, most of the Joint Table members saw the final draft of their own report at the same time that it was released to the public.

The aspect that most often made voluntary sector participants feel that they were not equal players in the process and that led to considerable discontent was the governmental system of financial administration and accountability. Because public money was involved, the federal government was naturally required to exercise appropriate controls and accountability over its use. Many of the standardized practices and requirements of financial management that were second nature to public servants appeared unduly restrictive to voluntary sector participants who were unfamiliar with them. Although cross table information sessions around financial management had been proposed, it was decided instead that each department would ensure the explanation of procedures for its own Joint Table. Such education appears to have been uneven at best.

Not all of the issues of trust were between government and the voluntary sector. Given the built-in diversity of the voluntary sector, many small voluntary organizations held concerns that the process was dominated by representatives from the larger charities, an impression that may have been unfounded but was difficult to shake. Another fissure was based on geography and the sense that the process was Ottawa-centric. Although several of the Joint Tables held meetings in various parts of the country, most occurred in the National Capital Region with the result that participants from elsewhere shouldered the burden of travel time.

1.6   Governance, Accountability and Organizational Learning

The mechanisms for governance and accountability process are what provided coordination within the VSI and connected it with the authority structures of the Government of Canada and the voluntary sector. This was challenging because the VSI was a joint initiative, making it difficult to have non-governmental players accountable to government authorities and vice versa, and because it was decentralized, involving many components within the Initiative and departments within government. Also, it was around the processes of governance and accountability that the vertical authority structures of the Government of Canada bumped up against the flat, horizontal nature of the voluntary sector.

The Governance Model

It is not surprising that a process which was simultaneously joint and decentralized would face challenges of governance and accountability. The low marks given by participants to the governance and accountability mechanisms of the VSI (a mean of between 5.5 for governance and 5.2 for accountability) reflect several shortcomings.

The role of the JCC was not clear initially: The challenges of coordination were in large part structural, built into its design of the JCC. Initially, the mandate and role of the JCC were

ambiguous – unclear whether it was to provide mere coordination or assume strategic leadership. In addition, it had no overlap of membership with the Joint Tables. Consequently, the JCC was at first reluctant to intervene or take an activist role, partly because it rightly did not want to interfere when things were going well, and partly because its legitimacy to do so was not well established. In spite of its initial limitations, the JCC eventually hit its stride. It conducted a visioning exercise and began to ask for work plans and progress reports from the Joint Tables (which were resisted by some as they felt the JCC had no authority to do so). And, eventually, it began to troubleshoot more effectively. This occurred to a large degree because its members realized what was at stake and that they had to take concerted action. It demonstrates an important way in which the VSI was able to learn and adapt as it went along, but also indicates that overall stewardship had not been well planned at the outset.

The boundary between joint governance and government authority was ambiguous: It was often difficult to tell where joint accountability ended and internal government accountability began. One reason for this was that the requisite approvals for key products of the Joint Tables had not been clarified in advance. The issue of who had authority and accountability for what, and when, was most pronounced in the process of approving the Accord and later the Codes. Members of the Joint Accord Table, including the ADMs, were able to fairly readily agree on a draft of the Accord (and subcommittees subsequently produced drafts of the Codes on Policy Dialogue and Funding), and these were approved by the JCC and ADM Executive Committee. Because the Accord involved commitments by government, Ministerial endorsement was required. Many believed that at this stage, however, the drafts would be approved quite smoothly by the Reference Group of Ministers and the process would be complete. When the central agencies – the Privy Council Office, Finance and the Treasury Board Secretariat – reviewed the Accord and played their traditional challenge function, they asked for changes. It took not only strategic intervention and fast work by the JCC, VSTF and key individuals, but intense negotiations almost daily over several weeks to reach agreed terms so that the revised versions could get through the governmental approval process in time for the signing of the Accord on December 5, 2001 and the unveiling of the Codes at the last All Tables meeting in October 2002. At several points it looked like the issues might not be resolved and parties started working out 'collapse' scenarios.

The ADM Executive Committee and the Deputy Minister community could have been more engaged: Although an essential component of the governance process, the ADM Executive Committee was not engaged as fully as it might have been and did not grapple with the tough policy issues of the VSI. Many ADMs did not attend the Committee meetings with great regularity, often sending substitutes, due to the other demands on their time and lack of direct accountability to Deputy Ministers regarding VSI responsibilities. The VSI had no strategic plan for approaching Deputies, and never managed to engage them or encourage them to be champions of the process. The lack of involvement by Deputy Ministers often put their ADMs (especially the Joint Table co-chairs) in a difficult position, caught between dual accountabilities to the VSI and the Deputy Minister. As a result, neither Deputies nor the ADM Executive Committee could be particularly effective in helping the government clarify its collective position on the policy issues or in exercising strategic leadership. This contributed to the sense that until late in the process, the intended outcomes were not well defined.

Accountability for Spending

Perhaps the most serious challenge of accountability was the **transparency** of financial management. This was a direct result of the decentralized nature of the Initiative. In setting up the VSI there was a desire by both government and the voluntary sector to move quickly so, rather than create new programs or institutions for purposes of financial management, the various departments that held funds on behalf of the VSI used their existing programs. As a result, the terms and conditions and other requirements on spending varied from one Joint Table to another, depending on which department was the 'banker' and what kind of program it used to manage the funds. This created some confusion across the different tables, particularly for the voluntary sector participants, although for most public servants these differences were not particularly problematic.

The lack of transparency was most evident in comprehensive financial reporting. Indeed, there is no single roll-up of expenditures that is agreed to by the main parties to be accurate and complete. This does not imply that there was any mismanagement of funds. Nor did this evaluation, which is *not* a financial audit, find any indication of mismanagement. The issue of transparency is simply that departments used different systems for financial reporting, and they were not compelled to report to a central body during or at the end of the VSI on how they spent 'their' money. Although the JCC, the VSTF and the VSIS all tried to develop tracking systems and to put together a comprehensive report on spending at the end of the first two years of the VSI, they could not get the information from departments to do so.

Organizational Learning through the Transition

Although the VSI is a five year initiative, the Joint Table phase was to last only two years. At the end of that time, the completion of outstanding work was to be carried forward by government departments or by voluntary organizations under contract. The assessment of VSI participants is that transition management was not done well at all. In fact, planning for the transition was rated the lowest of all the aspects of the VSI process, receiving a mean rating of only 4.4 (out of 10).

There were two main problems with how the transition was managed. First, the original budget had not provided funding to enable continuity of the secretariats through the transition. The VSIS and VSTF had only been funded for two years, ending in June 2002, even though the work of the Joint Tables and other mechanisms was not complete. In order to extend their working life to March 2003, they had to greatly reduce the number of staff, often leaving them with too few bodies for the work to be done and providing little continuity with their successors. Second, there was a long period of uncertainty about what would happen in the second phase in terms of where responsibilities would be assigned within government and how some of the joint work would be continued. Decisions for the machinery for the second phase were not made until September 2002 and not communicated publicly until the last All Tables meeting in early October. This created considerable, unnecessary fear among participants that all of their work to date would be lost.

In the next section, these various elements are briefly synthesized into success factors and barriers to an effective process.

2 What were the success factors and what were the barriers to effective collaboration and horizontal management?

2.1 The Success Factors

The main factor that contributed to the success of the VSI relates to the people involved – to their level of commitment to the process and the individual leadership they demonstrated. This was aided by the positive experience of the earlier *Working Together* process that gave both sides the sense that collaboration could be a positive experience and could produce substantive results. This commitment helped guide the process through some tough spots. The willingness of key participants to be creative and take some risks enabled them to adapt structures, such as the JCC, or to come up with innovative solutions, such as an Alternative Mechanism for dealing with the outstanding issue of the regulation of advocacy.

2.2 The Barriers to Success

The constraining factors derive mainly from the complexity of the structure. When asked to list the shortcomings of the VSI, the overwhelming response from participants was that the structure was "too complex, too bureaucratic." This perception was compounded by the broad mandate and the fact that in order to get the VSI implemented quickly, the roles of some of the key structures, such as the JCC and the overall governance model, were not as well planned as they might have been. The apparent absence of buy-in and leadership from senior management within government did not help forge a focus out of the complexity.

The other main barrier was a lack of communication, particularly around the mandates of some of the Joint Tables, the time frame in which they had to work and governmental requirements for financial management. The lack of understanding of government rules regarding financial management created a sense among many that the process was rule bound. More significantly perhaps, the rules and instruments for financial management did not provide as much flexibility in moving funding across activities or fiscal years as was needed in a multi-year, multi-faceted joint initiative of this nature.

A decentralized structure without a strong coordinating centre, a clear governance model or consistent political support from the ministerial and the Deputy Minister levels meant that the process seemed at times over-processed, that paper moved but often not enough action followed.

3. What could have been done differently and more effectively, and what were the realistic, practical alternatives?

In considering what might have been done differently in the VSI, it must be remembered that the Initiative was experimental and a testing ground in so many respects. It was about finding new ways of doing things in the relationship between government and the voluntary sector. It was not always clear, therefore, that there were well defined right and wrong ways of doing things, and the process either picked the 'right' way or it did not. Rather, decisions about key components of structure, policy and operations often had to be taken with a number of tradeoffs or competing objectives in mind and approaches had to be tried without strong historical precedent to follow.

In retrospect, there are some things that the VSI could have done more effectively, *given the goals, structures and tradeoffs that it set for itself.* There is a second set of alternatives that might have made the VSI more effective*, if it had weighed some of the basic tradeoffs differently.*

3.1 Improvements within Existing Parameters

Within the policies, structures and strategic tradeoffs made by the VSI, several alternatives might have been more effective.

A Strategic Vision and Outcomes

There is an age-old debate in public administration: whether it is better to try to affect major comprehensive reform all at once, or to proceed in a more incremental manner through smaller steps. The VSI took on a very broad package of reforms, in part out of respect for its predecessor, the *Working Together* process, that had put many issues on the agenda. Whether the VSI should have taken on as much as it did is debatable. What is evident is that it needed to formulate its mandate as a strategic vision very early on. The JCC managed to do this eventually, but it could have happened much earlier. This could have been facilitated by having the JCC in place before the other Joint Tables were established, enabling it to develop its own working relationships, overall vision and set of outcomes.

A related matter is that there were several key longstanding contentious issues about the regulatory framework and the funding relationship between the Government of Canada and the voluntary sector that were left ambiguous as part of the mandate. The government could have been clearer with its voluntary sector partners about what they were prepared to do on these matters within the VSI, or if the sector should plan to move these issues forward through alternative means. Such clarification might have removed these as ongoing sources of confusion and irritation.

Better Communication

There were several lapses in communication within the VSI, as noted already. Better communication through workshops, briefing sessions or other means could have rectified all of these.

A Stronger Governance Model

Given the decentralized model chosen for the VSI, it needed a stronger centre to provide coordination, oversight and leadership within the VSI. The terms of reference of the JCC could have articulated such a role and the JCC could have been better connected to the other parts of the VSI, perhaps by having its own dedicated secretariat and better means of connecting with the Joint Table co-chairs. As it was, the JCC had to struggle to carve out a leadership role, and this took precious time. In addition, the governance model could have better delineated where joint responsibilities and authorities ended and where those of the Government of Canada and the voluntary sector kicked in.

As part of governance and leadership, the expectations of how the political leadership of the Government of Canada and the voluntary sector would interact could have been better articulated. During the *Working Together* process, several well attended meetings between sector representatives and Ministers created certain expectations that similar meetings would

occur during the VSI. Only one such meeting took place during the two years of the Initiative, however, creating disappointment and some frustration on the part of sector leaders.

A Single Secretariat

Would the process have been better served by having only one secretariat serving all of the tables? The minority view is that, from the perspective of efficiency, a single secretariat may have reduced some of the demands related to communication and coordination. There are a number of logistical issues that would have had to be sorted out in this scenario, however, and, even those respondents who strongly supported this approach had no recommendations on how a combined secretariat might operate. The majority view is that a separate secretariat for the sector helped "keep the voluntary sector in the VSI" and enabled it to participate fully. A middle ground could have been to have one government-side and one voluntary sector-side secretariat that were co-located, that could also have provided support or at least greater connections with the Joint Tables and other mechanisms.

Better Representation of Minority Communities

The participation of minority communities could have been enhanced by making more effective use of Reference Groups, as well as including more minorities in the initial selection of participants. The Reference Groups could have been established earlier, been given more adequate funding (their budgets were carved out of the existing funding for the voluntary sector's Secretariat), and been afforded regular channels into the work of the Joint Tables and other mechanisms so that the perspectives of these communities became part of the mainstream of the VSI.

Greater Continuity of Participation

The issues of attendance and continuity of participation of government members were raised by the co-chairs of the JCC with the Clerk of the Privy Council, but were never fully resolved. The challenge relates to the demanding schedules for senior public servants that are often out of their control and the high levels of mobility within the public service. Because most exercises in collaboration or horizontal management are seen to be 'add-ons' to regular work, they are often dropped when people are reassigned. This suggests a tradeoff in collaboration: while it is desirable to engage senior level people from both sectors in order to give substance and political clout to the process, the higher the position of the participants, the more difficult it becomes to sustain participation over time. It also points to the need for senior management to create incentives and rewards as part of personal performance reviews that recognize the value of participation in collaborative and horizontal initiatives.

Greater Transparency of Financial Management

Enhanced financial transparency involves creating mechanisms for common and centralized reporting in a decentralized structure. For the first year there was no formal financial reporting system, although both the VSTF and the JCC worked hard to rectify this. Once common reporting templates were developed, they were not always used by departments, nor did all departments report on their expenditures to the VSTF in a timely manner at all. Clearly, a user friendly financial reporting system should have been in place from the beginning. It appears that more than moral suasion was needed to get departments to use it, however. One alternative might have been to sign a memo of understanding at the outset that committed relevant parties to report to a central body on expenditures.

Earlier Planning for Transition

The transition from the Joint Table phase to the second phase of the VSI could have been handled more effectively in several ways. First, it should have been clear to all participants that they had two years, not five, to complete their work so that they could plan how to wrap up. Second, the original budget could have provided funding to enable continuity of the secretariats through the transition. Third, the uncertainty about what would happen in the second phase could have been reduced if its structures and funding had been announced earlier. Admittedly, this was difficult for the Government of Canada to do as there were many factors to be weighed until very late in the process, but it speaks to the need to plan for the transition itself and an initiative's successor machinery at an early stage.

3.2   The Alternatives of Different Routes

The above set of alternative practices assumes that the Joint Table phase of the VSI was structured more or less as it was, and that some improvements were made within these parameters. What if somewhat different choices about some of the basic parameters had been made? In this case, more far reaching alternatives might have been tried.

Making the Structure Less Complex

The structural design could have been simplified if the VSI had followed more closely the recommendation of the *Working Together* report which was premised on a distinction between policy and operations. A Joint Steering Group, supported by a secretariat could have been charged with overseeing the major policy files, research and consultative dialogue, while the more operational tasks could have been left to task forces, departments or voluntary organizations working collaboratively in less formal ways than through Joint Tables. This probably would have required a more strategic vision in which priorities were established and tasks were more sequenced over time. It would also have been facilitated by the ability of the Privy Council Office to have the program authority to manage funds.

Enhancing Policy Capacity in Joint Work

In appointing members to the Joint Tables, the sector chose to have a broad cross-section of people participate. This had the advantage of reflecting the diversity of the sector. It also meant that some members did not have the level of policy experience and expertise required and were unable to contribute effectively. One means of bringing more policy relevant experience and knowledge to the process would have been to select representatives of regional, provincial or national umbrella organizations as participants, an alternative that would have been facilitated by a simpler structure. In order to ensure these organizations were connected with the rest of the sector, they would have had to assume responsibility for being a conduit of communication to broader constituencies and networks and for being accountable to them.

Making Funding more Flexible

The advantages to the system whereby departments held the funding for the VSI activities were that it allowed the VSI to get operating quickly as no new parliamentary vote was required and it actively engaged departments because they managed the funding. The disadvantages were that it made it difficult to reallocate funds among various activities of the VSI if they crossed departmental boundaries and it reduced transparency in financial reporting. An alternative would

have been to have the funds managed through a central program (with a sunset clause). This would have required upfront time to create such a program and would have entailed developing means by which a secretariat housed in the Privy Council Office could manage such a fund.

The fact that the VSI lapsed funding in its first two years indicates that the budget profile did not match well the actual timing of activities and that more flexibility in the ability to move funding across fiscal years or among activities was needed. In the context of collaborative arrangements, it would be helpful for the federal government to develop more flexible means of reprofiling funding from one fiscal year to the next.

There is also a need to develop instruments that are more flexible than contribution agreements or contracts for funding the work of third parties in a collaboration where the deliverables and outcomes are to be identified through a joint process, and thus cannot be specific in advance, as is the current standard.

4. *What are the lessons learned for future, sustainable collaboration between the Government of Canada and the voluntary sector and for horizontal management within each?*

No matter how successful the VSI is assessed to be, any future collaborative action is not likely to take exactly the same form because mandate and context, among other things, are likely to be different. Nevertheless, the VSI provides some useful guidance as to the paths to pursue and the routes to avoid for both collaboration and horizontal management.

4.1 The Value and Limits of Collaborating

An overwhelming lesson from the VSI is that collaboration is worthwhile. If taken seriously, working together enhances understanding and trust among the participants and sets the foundation for a better relationship over the long term. Not all issues are best dealt with through joint processes, however. Collaboration, especially if it is to involve senior public servants and executive directors, may be better suited to the development of policy recommendations and priorities rather than to operational tasks around policy implementation.

There may be some particularly contentious issues that a collaboration would be better off to set aside as they will never be resolved jointly. Such issues might be better left to processes of public policy advocacy. How to balance working on the inside as a partner and on the outside as an advocate is an important issue of strategy for the voluntary sector when involved in collaborations with governments. It needs to be clear to both partners, however, which issues are on the table and which are not. If either party is unwilling to even try to address the key issues that matter to the other, then the sense that this is a genuine collaboration may be greatly diminished.

Within a collaboration some things will be joint and others separate, perhaps done by each side in parallel. It is important to determine and communicate what needs to be done jointly and what can be done independently, as well as when joint processes end and unilateral decision making kicks in. Once inside a collaboration, it is difficult to impose unilateral decisions without compromising underlying trust and the sense of being a genuine partnership.

4.2 The Challenges of Policy, Structure and Operations

The key lessons for the policy, structure and operational aspects of a collaborative, horizontal initiative include:

Policy: How big a mandate in how long a time frame?

The very fact that an initiative is being managed horizontally suggests that it is tackling some big goals and multiple objectives. The first lesson regarding policy then is to be strategic about these goals and about what can realistically be accomplished in a given time frame. Second, the time frame needs to be long enough to achieve the mandate, but not so long as to lose political support – and these may not always be compatible objectives. Third, whether the mandate is narrow or broad, it needs to be transparent and communicated to all the participants.

Structure: A decentralized process needs a coordinating centre and a strong governance model.

Structure matters and needs to be planned up front. Ideally, in a collaborative process this would be the subject of joint discussions. Those structures that work when the goal is to develop policy may not be well suited to processes that implement policy and thus involve program expenditures. Effective mechanisms for coordination, governance and accountability are essential, both within the collaboration and to connect the collaborative process to decision making within government and within the voluntary sector. The VSI experience suggests the value of keeping the overall structure as simple as possible, however. More structure means more process. In part, the ability to keep the structure simple depends on how the funding is managed.

The location within government of the central authority and secretariat support for a horizontal initiative is an important design feature. The home of the initiative in a central agency helps to keep the process as connected as possible to the political level, as well as getting the attention of departmental officials. The current central agency machinery is not particularly well suited to managing the funds associated with such initiatives, however. Review and reform of the central agency machinery or identifying ways to replicate its political advantages in line departments could be helpful in planning for future horizontal undertakings.

Operations: Planning for results by balancing process and outcomes.

Process *is* important: there needs to be sufficient time for people to build relationships and learn to work together. Such process needs to be built into overall planning horizons and into the budget so that money is not lapsed during the early stages if these preliminary tasks take longer than anticipated. But, process is not enough. There also needs to be a sense that this process is moving toward and, will deliver, concrete results in terms of the original objectives.

Collaborative and horizontal processes are by nature temporary, designed to accomplish certain things and then wind down. A successful transition can be aided by determining and communicating as early as possible the nature of the machinery and the funding that will support the work in the next phase and by providing secretariat support throughout the entire transition to facilitate a smoother hand-off.

4.3   Supporting the Process and Maintaining Momentum

Establishing a joint, horizontal initiative is one thing, keeping it going and on track is another.

Representation is not the same as leadership.

It is a platitude to say that leadership counts, but this is one of the clear lessons from the VSI. To enable leaders to emerge, the participants, especially co-chairs of collaborations, need to have the right set of skills, appropriate interpersonal styles, know how to move things through the policy system, and be able to build support more broadly across government or the voluntary sector. It was not the seniority of position that made the real leaders in the VSI, but a deep commitment and willingness to take some risks that made certain people stand out. For public servants, an important factor in promoting leadership was recognition and support from senior management that participation in this sort of work was valued.

In collaborations that are intended to involve the voluntary sector *as a sector,* a challenge is how to adequately represent this diverse sector. When the goal is to ensure that the full spectrum of perspectives from a community or sector are heard, then a model that brings together individuals from a broad cross-section of that community or sector probably works well. If the goal is also to undertake effective policy work, then more consideration needs to be given to ensuring that the participants have the relevant experience and knowledge, ability to network with their constituencies and means of being accountable to them. This could be accomplished through the selection process or by providing orientation and training to those with less experience.

Political support needs to be engaged and managed.

Even when an initiative has initial political support, such support needs to be nurtured and managed in order to keep it alive among the many things that compete for the attention of ministers. This means planning decision points at which ministers will be involved and when they should meet the political leadership of the partner sector. The involvement of Deputy Ministers is also vital, as without it, the governance structure can become ambiguous. Under the best circumstances, political support can seldom be maintained indefinitely, however. There is a tradeoff between having long enough to get the work done and maintaining interest of ministers and Deputies, and two years may well be pushing the limit.

Sustaining participation presents different challenges for government and the voluntary sector.

Given the lack of control that senior public servants have over their schedules and the high levels of mobility in the public service, maintaining regular attendance in the short term and continuity of participation over the longer term may be challenging. The longer the time frame, the higher may be the change in membership. The more senior the participants, the more likely that irregular attendance will be an issue. For the voluntary sector, the main issue is the capacity of the home organization to operate with an Executive Director absent for periods of time. These challenges need to be considered in how collaborative processes are designed and how participants in them are selected, recognized and compensated. While it is easy to articulate the nature of the challenge, there appears to be few easy fixes for it.

Secretariat support is essential.

In the VSI, there was a direct correlation between the support of a strong secretariat, in place from the beginning, and how quickly and effectively a Joint Table was able to get on with its work. Given

the high levels of mobility within the public service and the temporary nature of most collaborative initiatives, maintaining continuity of staff may be a challenge and staffing mechanisms should provide for as much continuity as possible. A separate secretariat for the voluntary sector was an important innovation of the VSI and, while it added to the complexities of horizontal management, it greatly increased the capacity of the sector to participate fully in the process.

Engaging broader communities helps the process stay grounded and facilitates learning.

The process of consulting with and engaging broader constituencies was an important aspect of the learning process of the VSI. It is evident that effective engagement takes time, dedicated staff resources, multiple routes, coordination and good information provided well in advance so that participants have time to read, discuss and react to it.

An initiative that tries to roll out engagement at a national scale not only requires more time, but is likely to reach a point at which its core communities feel fully and adequately engaged, while those more distant (either by geography, knowledge or interest) may only be learning about it. Consequently, the latter may feel that the process is coming to an end just as they are gearing up to participate. The purpose of community engagement and how it will inform decision making thus needs to be considered and planned early on, including a vision of how far engagement should extend, and when it has extended far enough.

It is obvious that government departments will want and need to engage with the voluntary sector at various times around many different topics over the coming years. These should not be considered one-off events repeated over and over again. A more sustainable approach would be to consider what kinds of longer term investments might equip communities, their organizations and members to engage more effectively. It appears that the kinds of investments that could pay off in the longer run are helping the sector to build its network capital, its knowledge about policy processes and its ability to use technology for purposes of communication.

4.4   Financial Management and Transparency

One of the greatest challenges for a multi-year, multi-faceted, horizontal initiative is to provide a degree of flexibility of funding in a governmental system that is not designed for such flexibility and to ensure transparency of financial reporting in a decentralized structure in which departments control their own budgets. Much has been said already about how financial management might have been done differently in the VSI. The lessons boil down to several things:

 ➢ **Building in as much flexibility as possible** so that funding can be moved across fiscal years and across activities as needed without compromising overall accountability;
 ➢ **Communicating governmental requirements for financial management** (which are likely to remain quite standardized and inflexible) to non-governmental participants;
 ➢ **Developing a more flexible financial instrument** than the standard contribution agreement or contract to make it easier to flow funding to non-governmental parties in a timely manner; and
 ➢ **Creating common reporting templates and centralized tracking** of expenditures to ensure transparency and accountability in a horizontal initiative.

Conclusion: Looking to the Future

The final lesson of the VSI is recognition of the need to transform individual learning into institutionalized practice. Both government and voluntary sector participants learned a great deal and developed a better understanding of the other partner by working together. To varying degrees, what was learned was transmitted to others, through informal discussions and through more formal ones such as this evaluation. The VSI has put in place the machinery for facilitating ongoing relationship building and for reviewing the state of this relationship. Whether these mechanisms will be effective in the short term in maintaining the momentum through the completion of the VSI and in the longer term in building a stronger relationship remains an open question at this stage.

Management Response to the Evaluation Findings

Overview

Over 180,000 voluntary organizations across Canada engage in a wide range of activities that contribute to the well being of Canadians. Launched in 2000, there was a five-year $94.6 million commitment to support the Voluntary Sector Initiative (VSI). The VSI objectives were "to better serve Canadians by strengthening the capacity of the voluntary sector and enhancing the relationship between the voluntary sector and the Government of Canada." The VSI process, an exercise in both collaboration and horizontal management, was unprecedented in the breadth of its objectives and the scope and scale of its activities.

The *VSI Process Evaluation* examined the initial "Joint Table" phase of the VSI process, which ended in October 2002. It covered all components of the VSI except the Sectoral Involvement in Departmental Policy Development (SIDPD) program, which was evaluated separately. An evaluation to assess the impacts of the VSI is scheduled for completion in 2005.

The process evaluation found that the objectives of the joint tables were met, albeit not always according to plan; the relationship between the government and the sector had improved and all participants regarded the process as a worthwhile endeavour. The evaluation identified several lessons for the future, including observations on: the value and limits of collaborating; the challenges of policy, structure and operations; engaging broader communities and, financial management and transparency.

Although the department of Canadian Heritage oversaw the VSI process evaluation, Social Development Canada (SDC) assumed responsibility for responding to the evaluation and publishing the evaluation report when it assumed the responsibility for coordinating VSI activities within the federal government in December 2003. The management of the Voluntary Sector Affairs Division (VSAD) of the Social Development Directorate (SDD) in SDC would like to thank all those who participated in the evaluation of the first phase of the VSI process and would like to take this opportunity to respond to key observations and issues raised in the report.

Value and Limits of Collaborating

The *VSI Process Evaluation Report* found that "an overwhelming lesson from the VSI is that collaboration is worthwhile." However, it also observed that not all issues are conducive to resolution in a collaborative process and there is a need to establish parameters around collaboration so it can be used more effectively.

In coordinating the implementation of the VSI, we will continue to encourage collaboration and partnerships with non-profit organizations and raise awareness of the value of sustained cooperation between the government and the voluntary sector for the benefit of Canadians. Going forward, the government intends to utilize principles articulated in *An Accord Between the Government of Canada and the Voluntary Sector* and its Codes of *Good Practice on Funding and*

on Policy Dialogue to guide collaborative work that is focused on key priority/strategic issues. This strategic approach is reflected in the provision of funding for the Voluntary Sector Forum (VSF), based on common objectives and a work plan that is clearly focussed on achieving results.

We recognize that establishing clear parameters at the outset of any collaborative effort is essential -- both for maintaining trust between the parties and for achieving results. As part of government–wide implementation of the VSI, we will be promoting the *Code of Good Practice on Policy Dialogue*, which calls on partners to establish the terms of the policy dialogue in advance and to communicate the scope and limitations to all participants. The routine application of such principles of good practice will help ensure more effective collaboration in future.

Challenge of Policy, Structure and Operations

The evaluation report observed that among the key lessons learned in the VSI process were the importance of being both strategic and realistic when setting goals and time frames and being transparent in communicating the mandate for collaboration to all the participants.

With respect to mandate and time frames, as indicated above, officials in VSAD have negotiated a funding agreement with the VSF to cover the activities required to complete the formal VSI process. The associated work plan identifies expected results and milestones for addressing key priorities. We are confident that, working together with the resources that have been allocated, we can produce the desired results within the projected time frame.

The evaluation also noted that "structure is important" and that a decentralized process, like the VSI, needs a coordinating centre and a strong governance model. Moreover, the overall structure should be kept as simple as possible.

Structures to manage the work of the VSI have been simplified and streamlined and roles, responsibilities and mandates have been clarified. The Minister of Social Development (SDC) now has the lead responsibility for relations with the voluntary sector. Within SDC, the Voluntary Sector Affairs Division (VSAD) of the Social Development Directorate (SDD) in the Income Security Programs (ISP) is the federal focal point for promoting the effective implementation of the VSI. A Steering Committee of senior officials currently oversees the federal government's VSI-related activities. The VSF, supported by a secretariat, coordinates work within the voluntary sector. The Joint Steering Committee (JSC), made up of senior government officials and sector representatives, meets quarterly to coordinate joint activities.

The evaluation observed that process is also important and sufficient time for building relationships is essential. At the same time, the parties need to plan for results "by balancing process and outcomes" and make arrangements for facilitating a smooth transition to subsequent phases in the process.

Having established the foundation for a strong relationship based on mutual trust, the partners are placing greater emphasis on outcomes. As the formal VSI process winds down, we are now focussing on producing concrete results -- in promoting the effective implementation of the *Accord* and its *Codes of Good Practice*; disseminating the tools developed in the VSI, developing innovative and flexible federal funding instruments; supporting research and policy work related to the sector; implementing a national public awareness campaign; and strengthening networks and building capacity within the sector.

Engaging Broader Communities

In the context of supporting the process and maintaining momentum, the evaluation notes that an important lesson for the future is that "engaging broader communities helps the process stay grounded and facilitates learning." Since the government will need to engage the voluntary sector around many different issues at various times in the future, the government needs to consider a more sustainable approach to community engagement. The report suggests, "…the kinds of investments that could pay off in the longer run are helping the sector to build its network capital, its knowledge about policy processes and its ability to use technology for purposes of communication."

All the parties agree on the need for a more inclusive approach to involving diverse communities in the implementation of the VSI. As the focal point for federal implementation of the VSI, VSAD will continue to work with other departments to encourage partnerships with a broad cross section of organizations in the non profit sector, including Aboriginal and ethno-cultural communities.

It should be noted that many federal departments have well-established relationships with the many different communities that they serve. During the VSI process, existing relationships were strengthened and reinforced and new collaborative relationships were established. These partnerships were supported by the provision of funding through the SIDPD program (which was a major component of the VSI and is the subject of a separate evaluation). Many SIDPD projects provided excellent lessons on how to build bridges between diverse communities and organizations in the broader voluntary sector.

As we proceed with coordinating the implementation of VSI, we will continue to facilitate the engagement of broader communities through the provision of funding to develop networks and resources to build horizontal policy capacity within the voluntary sector.

Financial Management and Transparency

The evaluation of the VSI process identified several lessons with respect to financial management and transparency. To address these issues, the report suggests that the government endeavour to: build in as much flexibility as possible without compromising overall accountability; clearly communicate governmental requirements for financial management; develop a more flexible financial instrument; and create common reporting templates and centralized tracking of expenditures to ensure transparency and accountability.

One of the major achievements of the VSI process was the joint development of the *Code of Good Practice on Funding.* The consistent application of the *Code* across federal departments and agencies is a key priority in VSAD's work plan for VSI implementation. To advance policy work on the outstanding funding practice issues, SDC is committed to exploring models and options for federal funding and program instruments that would address the problems associated with short-term funding and inconsistent accountability requirements, and provide the flexibility and responsiveness necessary to support horizontal work at the national and local levels. We expect the summative evaluation of VSI, including SIDPD, planned for 2005 will yield valuable lessons on how to design effective and efficient funding and accountability approaches to support horizontal initiatives.

Funding for VSI activities is currently being delivered through the Social Development Partnerships Program (SDPP) in SDC. The Treasury Board approved renewed terms and conditions, including an RBAF and RMAF for SDPP, in January 2003. SDPP uses a system for tracking expenditures and reporting on progress, which will ensure greater transparency and accountability in future.

Conclusion

As stated in the evaluation, one of the most significant lessons of the VSI is "recognition of the need to transform individual learning into institutionalized practice." We are committed to building on VSI's successes, promoting the benefits of improving our relationships with the voluntary sector on funding practices and policy dialogue and ensuring that the principles and values espoused in the *Accord* are practiced throughout the Government of Canada.

Chapter 1 – Evaluating The Voluntary Sector Initiative

The Voluntary Sector Initiative:
An Experiment in Two Dimensions

In Canada, as elsewhere, the roles of both government and the voluntary sector – and the relationship between the two – are undergoing important changes. In recent years, governments have recognized that they cannot go it alone in policy development or service delivery, but need to work cooperatively with the private and voluntary sectors to achieve their desired results.[3] This involves departments working more closely with their constituent voluntary organizations, as well as building stronger relationships between government as a whole and the voluntary sector as a sector.[4] For its part, the Canadian voluntary sector, like those in other countries, has begun to act more collectively as a sector and is seeking a stronger voice and more active participation in policy processes. Given the interest on both sides in building greater understanding and a more constructive relationship, the time was ripe in 2000 to launch an innovative experiment by the Government of Canada in conjunction with Canada's voluntary sector to achieve these goals.

The five year, $94.6 million Voluntary Sector Initiative (VSI) that was announced in June 2000 is an unprecedented exercise in working together for the Government of Canada and the voluntary sector. The objectives of the VSI are to strengthen the voluntary sector's capacity to meet the challenges of the future and to enhance the relationship between the sector and the federal government.[5] The purpose of this report is to assess the process of the VSI and to draw lessons learned from it for future opportunities for working jointly across sectors and across government departments.

A Distinctive Process

Although the VSI is part of an international trend toward government-voluntary sector relationship building, it is distinctive from the approach taken in other jurisdictions and in other Canadian initiatives in several respects. The first is its **scope**. As part of its overarching goals of

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[3] Canadian Centre for Management Development (CCMD), *Moving from the Heroic to the Everyday: Lessons Learned from Leading Horizontal Projects*. Ottawa: CCMD, 2001, p. 3. This is compatible with the agenda of management improvement within the Government of Canada, known as "modern comptrollership," that aims to produce better informed decisions, better public policy and better service delivery. The Modern Comptrollership agenda is built around four main principles: a citizen focus; values; results; and responsible spending. See Government of Canada, Treasury Board Secretariat, *An Introduction to Modern Comptrollership*. Ottawa: 2002; and Treasury Board Secretariat, *Results for Canadians*. Ottawa: 2001, available at www.tbs-sct.gc.ca.

[4] For a discussion of some of the common trends in relationship building across countries, see Susan D. Phillips, "Voluntary Sector-Government Relationships in Transition: Learning from International Experience for the Canadian Context," in Kathy L. Brock and Keith G. Banting, eds., *The Nonprofit Sector in Interesting Times: Case Studies in a Changing Sector*. Montreal and Kingston: McGill-Queen's University Press, 2003, pp. 17-70.

[5] See the VSI website, which is joint undertaking of the Government of Canada and the voluntary sector: www.vsi-isbc.ca. See also, Government of Canada, *Partnering for the Benefit of Canadians: Government of Canada-Voluntary Sector Initiative*, Ottawa: June 9, 2000.

capacity and relationship building, the VSI undertook a wide range of tasks, including: developing an Accord between the Government of Canada and the voluntary sector and associated codes of good practice related to funding and policy dialogue; improving the sector's access to the benefits of technology; increasing recognition of the sector among the public and government; developing new knowledge and research about the sector; enhancing human resource and other skills; promoting the role of volunteerism as a legacy of the United Nations International Year of Volunteers in 2001; improving the regulatory climate; and enhancing the ability of voluntary organizations to participate in policy development.

Both product and process are central to these objectives. One goal was obviously to achieve its substantive work and deliver the products promised. But, a better relationship between the Government of Canada and the voluntary sector was itself *the* key product of the exercise. Relationship building was, therefore, at the heart of the process. It was both a prerequisite to getting the work done, and an intended result in its own right.

Second, the **joint process** for achieving these objectives is innovative. Seven "Joint Tables" comprised of an equal number of senior public servants and voluntary sector representatives and jointly co-chaired worked together from the fall of 2000 to the fall of 2002 to deliver on this broad agenda. More than 65 representatives of a wide cross-section of the voluntary sector and their counterparts from some 23 departments and agencies of the federal government participated in this joint work. They were assisted by many others who served in staff capacities as part of supporting secretariats or in leadership roles in the governmental and voluntary sector bodies that provided overall governance and strategic direction. Following this two year Joint Table phase, the outstanding and ongoing work of the VSI is being carried forward by federal government departments and by voluntary organizations completing a variety of projects on contract, with key aspects overseen by a joint committee.

Third, the VSI is defined by its **scale**. The Initiative was aimed at engaging the Government of Canada, as a whole, and Canada's voluntary sector, as a sector. This scale meant that a large number of federal departments and the broad diversity of the voluntary sector needed to participate in some manner or be consulted. With this scope of activities and span of actors, there had to be means for lining up authorities in complementary ways, and coordinating actions to ensure that all of the players and all of the pieces were working toward a common end. At the same time, the structure of the VSI was intentionally decentralized, that is, its responsibilities were spread across a number of joint mechanisms and federal departments.

Vertical and Horizontal Dimensions

To understand the first phase of the VSI then is to appreciate that it was both a joint and a decentralized undertaking. In this respect, it was an exercise in **collaboration** *and* in **horizontal management**. The first could be thought of as its vertical dimension – working jointly between government and the voluntary sector. The second is its horizontal dimension – managing the decentralized process across government and within the voluntary sector.

The VSI was not intended to be wholly collaborative nor completely decentralized, however. Some parts of the VSI were meant to be conducted in a truly collaborative way as a more or less equal partnership of the two parties. Other aspects were undertaken separately by the voluntary sector or by the federal government with relatively little involvement of the other, albeit each

was working toward the same end. In this regard, some aspects could be seen as joint, but not collaborative. Similarly, some components of the VSI operated relatively independently, while other activities were more tightly controlled by the central decision making and accountability processes of the government or the voluntary sector. In this sense, the VSI was simultaneously decentralized and centralized, depending on which aspect is being considered.

Process Evaluation

This evaluation is part of the ongoing learning process of the VSI. It was commissioned in the spirit of the VSI itself, as a joint undertaking by the Government of Canada and the voluntary sector.[6] This report is an evaluation of the **process** of the VSI. Its purpose is to assess how the VSI worked and how well it worked up to the end of the two year Joint Table phase that ended in October 2002. As background, it also includes the relevant events that led to the creation of the Initiative. The analysis gives explicit consideration to practical alternatives and lessons learned for future collaborations and for horizontal management.

Purpose

The evaluation addresses four key questions:

 ➢ How effective were the structures, policies and operations of the VSI in helping the Initiative to achieve its objectives? In particular, did they enhance the ability of the federal government and the voluntary sector to work together?
 ➢ What were the success factors and what were the barriers to effective collaboration and horizontal management?
 ➢ What could have been done differently and more effectively, and what were the realistic, practical alternatives?
 ➢ What are the lessons learned for future, sustainable collaboration between the Government of Canada and the voluntary sector and for horizontal management within each?

Scope and Methodology

This evaluation draws on multiple sources of evidence including a full review of the documents produced for the VSI and on an extensive set of interviews with participants in the VSI process. By its terms of reference, the evaluation focuses on assessing the process from the perspectives of those who were *directly involved in the VSI process because they had some responsibility for carrying out work on behalf of the Initiative.* A total of 102 structured interviews, lasting on average one hour and twenty minutes, were conducted with a cross-section of VSI participants from mid February to mid April 2003. These participants were selected to cover all aspects of the VSI and were drawn in roughly equal number from the Government of Canada and the voluntary sector. (see Appendix A for further details on the selection and distribution of respondents).

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[6] In conducting its work, the CVSRD Evaluation Team benefited greatly from the guidance of the VSI Evaluation Steering Committee in providing strategic direction and assistance with the document review and interview process, and in providing insightful feedback on draft reports. We thank them for their leadership and thoughtful input.

While not strictly a self-evaluation, the insights of these participants are valuable because they have first hand knowledge of what was effective and what was not. In addition, because they are senior public servants and voluntary sector leaders, many of whom had previous experience in working collaboratively, they are well placed to provide critical judgments and make constructive suggestions for improvements.

In terms of scope, the evaluation considers all of the components of the VSI except the program known as Sectoral Involvement in Departmental Policy Development (SIDPD) which has been evaluated separately.

The VSI process was not only a big undertaking, but a bold one. The participants interviewed as part of this evaluation had many criticisms, both minor and major, of the structure, process and operations of the VSI, and they offered a variety of perspectives on how certain aspects might have been done better. The overwhelming response, however, was this: the fact that the VSI took place at all is a major achievement. Nevertheless, we can learn a great deal from the experiences of participants about what helps and what hinders successful collaboration and horizontal management.

Evaluating Collaboration and Horizontal Management

Collaboration is an arrangement between a government organization and one or more parties, in which there is an agreement to work co-operatively to achieve a public policy objective for which there is:

> ➤ Shared authority and responsibility for achieving results;
> ➤ Joint investment of resources (time, funding, expertise)
> ➤ Shared risk-taking; and
> ➤ Mutual benefit.

<div align="right">

Based on Tom Fitzpatrick, *Horizontal Management: Trends in Governance and Accountability*. Ottawa: Paper prepared for the CCMD Action Research Roundtable on the Management of Horizontal Initiatives, 2000.

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Horizontal management can be thought of as collaboration within a government, a sector or an organization. It involves working cooperatively across boundaries. It is the process of 'knitting things together.'

<div align="right">

Drawn from Luc Juillet and Herman Bakvis, "Horizontal Initiatives." Ottawa: Paper prepared for CCMD Governance Research Roundtable, 2003.

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"[Working horizontally] means being able to work in teams and networks across organizational silos: to think and act corporately."

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Mel Cappe, former Clerk of the Privy Council quoted in CCMD, Moving from the Heroic to the Everyday: Lessons Learned from Leading Horizontal Projects. Ottawa: CCMD, 2001, p. 2.

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What is a successful collaboration and how can it be measured? As governments and the voluntary sector have gained experience in working collaboratively, we have come to understand some of the important factors that contribute to success in working jointly and in coordinating the actions of decentralized bodies toward a common set of objectives, the process often referred to as "horizontal management."[7]

The first thing we know is that collaboration and horizontal management are more art than science.[8] There are no hard and fast rules; no sure-fired structures that work every time, nor any guaranteed formula for success.

Experience also suggests, however, that there are some common principles that underpin most successful joint and horizontal initiatives. Effectiveness relies on:[9]

> ➢ Acknowledgement of the Need for Collaboration/Coordination
> ➢ Clarity and Realism of Purpose
> ➢ Establishment of Clear and Robust Arrangements
> ➢ Commitment, Ownership and Leadership
> ➢ Development and Maintenance of Trust
> ➢ Monitoring, Review and Organizational Learning

There is, of course, also a time dimension to collaborative and horizontal undertakings. How a process unfolds and evolves dependent to some degree with what has gone on before it. The **context** involves laying down the groundwork. This leads to establishing certain **parameters** and structures for collaboration which, in turn, enables the partners to get on with the more operational **practices** and **processes**.

Framework for Evaluation

As a general framework, this evaluation focuses on the context, parameters and processes of the VSI. For each, it considers the success factors and the barriers to success, the extent to which the principles outlined above were satisfied, what might have been done more effectively, and the lessons learned. The relevant aspects of each component are outlined below.

Context

The starting point is to appreciate the context for collaboration. The history of relationships, and how the parties decided to work together in the first place is important because it sets certain expectations on each side of how things will work and what will be achieved. It also helps us understand the reasons why particular types of formal structures and informal processes were established as the

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[7] CCMD, *Moving from the Heroic to the Everyday: Lessons Learned from Leading Horizontal Projects.* Ottawa: CCMD, 2001. See also CCMD, *Using Horizontal Tools to Work Across Boundaries: Lessons Learned and Signposts for Success.* Ottawa: 2002; Herman Bakvis, "Pulling Against Gravity? Horizontal Management in the Canadian Government," Paper presented at the 'Knowledge Networks and Joint-Up Government' Conference, Centre for Public Policy, University of Melbourne, June, 2002.

[8] CCMD, *Moving from the Heroic to the Everyday,* p. 2.

[9] See Bob Hudson and Brian Hardy, "What is a Successful Partnership and How Can it be Measured?" in Caroline Glendinning, Martin Powell and Kirstein Rummery, eds., *Partnerships: New Labour and the Governance of Welfare.* Bristol: The Policy Press, 2002, pp. 549-64; see also Mike Smith and Mike Beazley, "Progressive Regimes, Partnerships and the Involvement of Local Communities: A Framework for Evaluation," *Public Administration,* 78, 4, 2000, pp. 855-78; V. Lowndes and C. Skelcher, "The Dynamics of Multi-Organisational Partnerships," *Public Administration,* 76, 1998, pp. 437-54; and F. Delaney, "Making Connections: Research into Intersectoral Collaboration," *Health Education Journal,* 53, 4, 1994, pp. 474-85.

means through which the joint efforts would be conducted. In the case of the VSI, the five year period leading up to the announcement of the initiative is especially important because the voluntary sector went from being a bit player for the federal government to being fully on the political stage, and led to the first serious attempt ever to work together as whole sectors.

In relation to context, this evaluation explores:

> How the VSI came to be;
> How the context influenced decisions regarding basic parameters, particularly its agenda, structure and funding; and
> What kind of expectations as to how the VSI would work and what it would achieve were established.

Parameters: The Mandate and Structural Arrangements

Two important principles for collaboration are the clarity of purpose and the robustness of the arrangements that support the collaboration.[10] These arrangements include: a mandate, time frame, budget, staff resources, mechanisms to facilitate collaboration and coordination, and a governance structure to hold the whole thing together and be accountable on behalf of each partner.

Some of these parameters may be decided upon jointly in the spirit of partnership. Others may be established unilaterally in accordance with each party's own authorities and requirements for getting the necessary approvals to proceed. Indeed, an important point, often overlooked in the current enthusiasm for partnership is that not all aspects or decisions are necessarily joint. The extent to which key decisions are made unilaterally versus jointly naturally is likely to have an impact on the tenor of collaboration and on the nature of the constraints established.

The key aspects of the parameters considered in this evaluation are:

> Breadth, clarity and flexibility of the mandate;
> Financial and staff resources;
> Means of representing the voluntary sector and government; and
> Structural design.

Practices and Processes

While these parameters set certain limits and, by design, influence the direction for collaboration and coordination, how things actually work is not wholly pre-determined by them. Within the starting parameters, operational choices have to be made on an ongoing basis. For example, leadership needs to be cultivated. Trust is built through dialogue or diminished through unilateral action. Conflicts arise that must be addressed. The process has to adapt and learn over time, making adjustments as it goes along. As the process comes to an end, transition to the next phase of the initiative has to occur. There are also more informal and less visible processes that influence how the parties will work together, such as the culture of each and the balance (or imbalance) of power between them.[11]

In the case of the VSI, we are looking at dual dimensions of process: the vertical process of managing the collaboration between the government and the voluntary sector; and the horizontal

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[10] Hudson and Hardy, "What is a Successful Partnership and How Can it be Measured?" pp. 54-61.
[11] A. Loxley, Collaboration in Health and Welfare: Working with Difference. London: Jessica Kingsley, 1997.

process of coordinating and connecting within the government and the voluntary sector. Each of these processes creates distinctive challenges and opportunities for working together. Therefore, the discussion of process is dealt with in two parts:

- ➢ Managing the collaboration, including assessment of the impact of cultural differences and power imbalances; the continuity of participation; and styles of working together; and
- ➢ Coordinating and managing horizontally, including: governance accountability and leadership; communication and engagement of constituencies beyond the VSI; and preparation for the transition to the next stage.

It is important to note that collaborations with governments may present unique challenges because government often provides and thus controls the funding. This may affect the balance of power among the players and it presents particular requirements for financial accountability. For this reason, the evaluation looks closely at the processes of financial management and their impacts on the other aspects of the VSI.

Impacts

An assessment of the process of a joint, horizontal initiative would not be complete without a sense of results. What impacts did the process have? As a *process* evaluation, the focus is on understanding how the process facilitated producing results at all, not on assessing the longer term impacts of the various products and projects that were generated by the VSI. Specifically, the evaluation considers the extent to which:

- ➢ the intended work was completed;
- ➢ a stronger relationship between the Government of Canada and the voluntary sector was established, at least at the end of the Joint Table phase of the Initiative; and
- ➢ any unanticipated consequences occurred in the short term.

These elements of the evaluation are illustrated in Figure 1.1.

FIGURE 1.1
A Framework for Evaluation

Context
- History of relations
- Expectations

Parameters
- Mandate
- Time frame
- Resources
- Representation
- Structure

Practices and Processes
- Managing the collaboration
- Horizontal management and coordination
- Governance, accountability & leadership
- Engagement and communication
- Transition
- Financial management

Impacts
- Objectives achieved
- A better relationship
- Unintended consequences

Outline of the Report

The first task of this evaluation, as undertaken in Chapter 2, is to set the VSI in context. For descriptive purposes, the various components are then presented briefly in Chapter 3. In Chapter 4, the parameters within which the VSI had to work are considered and their impacts on the process are analyzed. Chapter 5 examines how the collaborative aspects of the VSI unfolded within these parameters and Chapter 6 focuses on horizontal management, governance and engagement. In Chapter 7, the evaluation takes a closer look at the financial operations because the interviews revealed that this was a very important aspect of how things got done. Chapter 8 focuses on impacts and the final chapter addresses lessons learned for future collaborations between the Government of Canada and the voluntary sector and for horizontal management within each sector.

Chapter 2 - The Context of the VSI

Context Matters

> "The extent to which [parties] have a prior record of successful partnership working has been identified as a crucial determinant of the scale and pace of their future achievements – in short, 'success breeds success.'"
>
> Hudson and Hardy, "What is a Successful Partnership and How Can it be Measured?" p. 53

Experience tells us that what happens as a precursor to a collaboration is often critical to how things subsequently unfold.[12] Depending on how relationships have gone in the past and whether there is a recent history of partnership, the parties may develop an appreciation of the need to work collaboratively, or harbour a suspicion of doing so. It is in the preliminary stages that the problems to be addressed are identified and framed in particular ways, expectations are established, mutual goals and priorities are set, potential leaders come forth, resources are allocated and structures created. These foundational elements often evolve incrementally, through a series of interactions, small steps, and parallel activities by the eventual partners.

The very existence of the VSI, its structure and the expectations surrounding it were shaped in important ways by several developments in the five year period leading up to its creation in 2000. During this period, the relationship between the voluntary sector and the Government of Canada underwent significant change. Indeed, the voluntary sector went from being a political non-entity for the federal government to being seen as one of the three pillars of Canadian society and as an essential partner. As a sector, it evolved from being characterized by a lack of policy leadership at the national level to thinking and acting as a sector to a considerable degree and being a serious political player. As we will see, not only the general attitude toward relationship building became more positive, but an initial small scale experiment in collaboration, known as *Working Together*, directly influenced important decisions about the agenda and the structure of the VSI.

Getting Through Tough Times in the Relationship

The early to mid 1990s had been a difficult period in the relationship between the Government of Canada and the voluntary sector. Federal Program Review imposed significant cuts on the funding of a wide variety of voluntary organizations, particularly on those engaged in advocacy, public education or activities other than direct service to clients.[13] The sector had little collective political voice at the national level and its primary relationships with federal departments were

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[12] Ekos Research, *Lessons Learned on Partnerships.* Ottawa: Paper prepared for the Voluntary Sector Roundtable, 1998. Available at http://www.vsr-trsb.net/publications/ekosoc98/definitions.html; Treasury Board Secretariat, *The Federal Government as 'Partner': Six Steps to Success*. Ottawa: 2001. Available at http://www.tbs-sct.gc.ca/pubs_pol/opepubs/TB_03/fgpe2_e.asp.

[13] Susan D. Phillips, "How Ottawa Blends: Shifting Government Relationships with Interest Groups," in Frances Abele, ed, *How Ottawa Spends: The Politics of Fragmentation*. Ottawa: Carleton University Press, 1991, pp. 183-228; B. Mitchell Evans and John Shields, "The Third Sector: Neo-Liberal Restructuring, Governance, and the Remaking of State-Civil Society Relationships," in Christopher Dunn, ed., *The Handbook on Canadian Public Administration*. Toronto: Oxford University Press, pp. 139-58.

bilateral in nature, focused on service delivery. A series of reports produced by backbench Liberal MP, John Bryden, cast voluntary organizations in a negative light as "special interest groups" and stressed the need for greater accountability and regulation of the sector. In short, the voluntary sector was not really on the political radar screen and there was little policy oriented work regarding the sector going on in government.

The creation of the Voluntary Sector Roundtable (VSR) in 1995 was critical to beginning to develop leadership and voice as a sector. The VSR was an unincorporated group of twelve national organizations and coalitions, deliberating covering most parts of the sector, that came together to strengthen the voice of Canada's charitable, voluntary sector, and to create a dialogue with the federal government around policy matters.[14] The initial plan was that the VSR would operate in a structured way for three years, but that the relationships built during this period would have longer term effects. Throughout its life, the VSR was intentionally very 'light' in infrastructure, relying on secretariat support of its member organizations and the individual leaders involved to take carry the lead on particular projects. With financial support from the J. W. McConnell Family Foundation, supplemented by contributions from the Muttart and the Vancouver Foundations, the VSR set four priorities for itself: enhancing accountability of the voluntary sector; developing mechanisms for dialogue with government; increasing charitable tax incentives and reworking charitable definition. At the end of the third year, a decision was made to continue for several more years as its work was not completed, although progress was being made in all of these areas.

Political leadership within the federal government had taken notice of the voluntary sector and following the 1997 election began to take steps to implement the commitments made in the electoral policy Red Book to better engage the voluntary sector. Revenue Canada (later to become the Canada Customs and Revenue Agency (CCRA)) was asked by the Privy Council Office (PCO) to lead an interdepartmental committee of Assistant Deputy Ministers (ADMs) to discuss how to implement these commitments. At its first meeting in June 1997, the ADM Committee agreed on a general division of responsibility and that CCRA should chair a Working Group comprised of analysts supplied by various departments.[15] To support the Working Group, departments asked PCO to create an interdepartmental secretariat, but this was deemed premature. Instead, CCRA was to serve as an informal secretariat, relying on other departments to donate staff resources. Departmental staff began work on background papers that were to serve as the foundation for advice to ministers.

At this point, a significant and creative departure from standard government practice was undertaken that signaled the government's interest in working in a consultative way with the voluntary sector in how it took advice forward to Cabinet. Instead of preparing a Memorandum to Cabinet (MC), which would have entailed requirements for secrecy and confidentiality, a less formal 'Aide Mémoire' was developed.[16] This enabled public servants to quietly 'sound out' voluntary sector leaders and to test what process of engagement might be acceptable to them. It is an example of how conventional mechanisms of policy development can be made more flexible in order to accommodate greater openness and collaboration.

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[14] Voluntary Sector Roundtable, *Newsletter*, November 1997.
[15] "Engaging the Voluntary Sector Chronology of Events," Note prepared by CCRA contract staff, VSI files, September 3, 1998.
[16] David Good, "Promises and Pitfalls: Experience in Collaboration between the Canadian Federal Government and the Voluntary Sector," *Journal of Policy Analysis and Management*, 22, 1, 2003, p. 123.

As CCRA continued to coordinate work on the Aide Mémoire in the spring of 1998, it became apparent that the interdepartmental Steering Committee with only an informal secretariat was not the best vehicle for advancing a cross-cutting policy agenda related to the voluntary sector. The Committee had no dedicated resources or staff and could not compel other departments to provide resources.[17] As lead, the mandate of CCRA was too narrowly focused on charities and regulation to build a broad base of involvement across other departments. Political buy-in was uncertain because no particular Minister owned the initiative. Recognizing that the committee would not be able to advance the governmental agenda and responding to criticisms from voluntary sector leaders that the committee lacked vision and energy, the Deputy Secretary at the PCO met with deputy ministers from the departments involved and they agreed to establish a separate task force that would report directly to the PCO. The advantages of such a task force were twofold: it would have dedicated resources and, by being housed at PCO which serves as secretariat to the cabinet, it would be taken more seriously by other departments.

In the summer of 1998, the Voluntary Sector Task Force (VSTF) was established. The two co-directors were given the job of figuring out what the issues were, creating a 'to-do' list for government and getting proposals to Cabinet in the form of an Aide Mémoire in early 1999.[18] It was intended initially, however, that this could be accomplished in a relatively short period of time, a mere six months or so.

The legacy of this early action within government was to provide political backing through the Red Book commitments to the voluntary sector file and a home base in a central agency.

The VSR had undertaken a crucial step of its own during this period by establishing in the fall of 1997 the [Broadbent] Panel on Governance and Accountability. This independent panel of experts, chaired by Ed Broadbent (former leader of the federal NDP) was tasked with conducting research, consulting broadly, and making recommendations on improving accountability in the voluntary sector. The Broadbent Panel saw its mandate as an opportunity not only to consider how governance and accountability might be enhanced *within* the voluntary sector, but to address how the sector's relationships with governments, particularly the federal government, might be improved. The more than forty recommendations in its report, released in February 1999, laid out a blueprint for the federal government as to how to create a more enabling environment and stronger relationship with the voluntary sector through regulatory and institutional reform.[19] Of the recommendations that were directed at the federal government, the highest priority was assigned to four things: capacity building; developing mechanisms to build a stronger relationship; reviewing the criteria that determine which organizations can be officially registered as charities; and creating a new institution to replace the CCRA as the primary regulator of charities.

The Broadbent Panel was a milestone not only because it set out an agenda for action for both the voluntary sector and the Government of Canada, but because it helped the sector to coalesce as a sector. It also gave the members of the VSR experience and confidence in working collectively on a major policy initiative. In addition, it gained the sector and the VSR in particular considerable respect within government. As one ADM noted, "[the Panel] was a major

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[17] "Engaging the Voluntary Sector Chronology of Events," Note prepared by CCRA contract staff, VSI files, September 3, 1998.
[18] After a short time, one of the co-directors left the VSTF, and it operated from then on with a single director.
[19] [Broadbent] Panel on Accountability and Governance, *Building on Strength: Improving Governance and Accountability in Canada's Voluntary* Sector. Ottawa: Voluntary Sector Roundtable, 1999.

contribution to understanding that the sector was a legitimate player and they were capable of mobilizing and undertaking very large scale strategies."

The Broadbent Panel shared its draft recommendations with the VSTF as the latter was preparing its recommendations to Cabinet. The VSTF also met with the VSR during this period so the two were not working in isolation. The sector made a strong case for proceeding in a joint manner – working together – and it quickly became apparent to senior governmental officials that, even if they did the right thing in terms of policy, that they would be seen to be doing it *to* the sector, not *with* it. The first principle of effective collaboration, acknowledgment of the need for joint work, was thus met. An innovative idea for a structure for how to do this – the concept of a "joint table" – was proposed by VSTF staff. The idea of a collaborative process appealed to a number of departments, and Ministers were keen to move quickly.

Working Together

In the spring of 1999, three Joint Tables, known collectively as *Working Together*, were created each with seven members from the Government of Canada and seven from the voluntary sector, and were jointly chaired. Each was focused on making recommendations around one theme, respectively the relationship, regulatory matters and capacity building. The VSR was invited to identify the voluntary sector participants and nominated an additional nine individuals from various parts of the sector to join the original VSR members to fill out the seats at the tables. The way in which ministers attempted to reduce the risk involved in this model was by "continuously seeking assurances that sector leaders were broadly representative of the range and diversity of the sector and that their current and future demands would continue to be reasonable."[20] Thus the model for how the voluntary sector would be represented in collaboration was laid down early. It was to be a broad diagonal slice of the sector represented by individuals, not organizations. This reduced political risk because it involved people from across the sector and across the country and thus could not be seen to be elitist, as dealing with a few national organizations might have seemed. As a model for collaboration, it went far beyond traditional means of consultation because voluntary sector leaders were sitting at the table as relative equals to their government counterparts.

Participants from both the government and the sector were seen to be highly committed to the process, and ideas were freely and thoroughly discussed. Because members shared a general agreement on the underlying problems and because the window of opportunity for addressing them was seen to be relatively short, the tables focused on developing policy solutions, rather than on gathering evidence on the underlying problems. The joint search for options was further facilitated by the fact that the tables had no overall budget constraint. They did not have to work within a fixed budget nor attach a cost to their package of proposals, nor make tradeoffs among different proposals.[21] The tables were realistic, however, in searching for proposals that were specific and that could be supported by both government and the voluntary sector.

Political support was also highly visible as witnessed by a dinner meeting at the launch of the process in which 22 voluntary sector leaders and 14 ministers (an unprecedented number) had

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[20] David Good, "Promises and Pitfalls," p. 124; "The Joint Table Process: An Experiment in Collaborative Governance," Draft Report prepared for the Voluntary Sector Task Force, 2000, VSI files.
[21] David Good, "Promises and Pitfalls," p. 123.

open and candid discussions.[22] A similar dinner meeting at the end of the process capped off this endeavour as a major achievement.

In a short period of time, roughly four months, the three *Working Together* Joint Tables arrived at 26 consensual recommendations. This document was published by the participants themselves rather than as a government publication so that the position of public servants as providing impartial advice to ministers was not compromised. This was a creative approach to getting a joint document out quickly. Because the report did not bear the imprimatur of the Government of Canada, however, it was not clear the level of commitment behind it.[23]

Many of these recommendations were consistent with those of the Broadbent Panel, although they provided more details on many proposals for relationship, capacity building and regulatory reform. Among the recommendations, the tables addressed some of the more challenging issues in the regulatory framework, notably the federal regulation of advocacy and examined different models for the regulatory agency itself (although no consensus was attempted on a preferred model).

The *Working Together* report was a broad and far reaching agenda to carry forward. It is not clear that participants fully appreciated that an investment plan for financial allocations would be produced directly from the report. Indeed, several noted that had they realized that the recommendations would be translated directly into funding allocations, they might have approached this process differently.

While the *Working Together* report did not set out a specific ordering of priorities, it did outline a detailed plan for implementation that would occur over three phases: first, a short period of 'commitment' in which commitments, such as a government-voluntary sector accord and a National Volunteerism Initiative, would be confirmed and ministerial responsibility and leadership assigned; second, a one year 'construction' phase (from the fall of 1999 to the fall of 2000) in which the requisite research and consultation for various programs and projects would be conducted and action taken on them; and, third, an ongoing 'consolidation' phase to provide continuity and monitoring.

The key to implementation was seen by the *Working Together* tables to be the creation of a Joint Implementation Group, supported by a secretariat (ideally housed at PCO), that would oversee research and consultative dialogue. It was to be linked to a series of task forces that would investigate and make recommendations to the Implementation Group on matters such as funding, establishing a relationship with Parliament, engaging the provinces and exploring options for a new regulatory oversight body. Specific projects or programs would be referred to the appropriate government or voluntary sector body, however, for follow up and actual implementation. This approach made an implicit distinction between policy and operational issues. Its premise was that collaboration was needed on policy matters, but not on the operational tasks of actual implementation or program delivery which could be left to departments or voluntary organizations. As we will see, this is not the model that was followed by the VSI.

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[22] David Good, "Promises and Pitfalls," 124.
[23] The Joint Table Process: An Experiment in Collaborative Governance," Draft Report prepared for the Voluntary Sector Task Force, 2000, VSI files.

This first experiment in collaboration is regarded to be a resounding success by virtually everyone involved. Some important lessons for collaboration were learned and were carried forward into the next phase. These included the importance of having broad participation of government and the voluntary sector, and the value of the Joint Table model as a means for facilitating genuine dialogue.

Given the direct impact of *Working Together* had on the shape and mandate of the VSI, it is essential to note that it differed from its offspring VSI in several key respects:

> ➢ Its task was conceptual, rather than operational: it was designed to make policy recommendations, not to implement projects or programs;
> ➢ No money was involved (other than supporting the work of the tables through the VSTF);
> ➢ The time frame was very short – months, not years;
> ➢ Strong political support at the ministerial level was highly visible;
> ➢ Most of the voluntary sector participants came from large or national umbrella organizations and had been involved in policy issues already through the VSR; and
> ➢ The structure was quite simple and compact, consisting of only three Joint Tables and an informal, but effective coordinating committee consisting of the co-chairs of the tables.

From *Working Together* to VSI

As the recommendations emanating from *Working Together* were being rolled up into an MC that would secure ministerial approval and assign budget allocations, an hiatus in activity occurred due to the constraints of secrecy surrounding advice to Cabinet. The sector heard virtually nothing about what was happening and began to get worried that the whole undertaking was in trouble. As many voluntary sector participants tell it, their government colleagues told them to be patient, that sometimes government, like a satellite, just has to "go behind the moon." Given the earlier opening in the traditions of secrecy by use of the Aide Mémoire and the collaborative process that had generated the *Working Together* recommendations in the first place, questions were raised for many in the sector as to whether this level of secrecy was really necessary.

Although the fall 1999 Speech from the Throne had made a commitment to development of an Accord and a volunteerism initiative, the February 2000 budget provided no apparent allocation of funding. Again, the sector was told by government officials not to worry, that a commitment of funding had, in fact, been made. At this point, the Prime Minister announced the creation of a Reference Group of Ministers (RGM). Although not the first time it had been used, the mechanism of the RGM was a significant departure from using an existing Cabinet committee. It could give an initiative hands-on political leadership and attention without being weighed down by all the other matters which a full cabinet committee must address.

Before finalizing the MC, government officials took an unusual step in consulting with the voluntary sector representatives who had participated in *Working Together*. The reaction was that the roughly $100 million did not reflect the agreed upon priorities. In general, governmental priorities, as reflected in the Speech from the Throne and the budget allocations, were somewhat different than those of the sector: the Accord and a national volunteerism initiative were at the

top of the list for government and in the middle for the voluntary sector leaders.[24]   In particular, there was a large amount devoted to assisting CCRA address some of its internal operations, which the VSR members felt should not come from new money but be funded from regular departmental allocations. In addition, the component known as Sectoral Involvement in Departmental Policy Development (SIDPD) that provided support to departments to engage voluntary organizations in policy development, and that represented almost a third of the overall VSI budget, had not been a recommendation of *Working Together* at all.

The voluntary sector representatives took the bold step of making a counter proposal. Their version re-profiled a significant amount of the initial allocation to CCRA, and reduced the amount to the International Year of Volunteers. The SIDPD component was to stay because they appreciated that some money had to be spent within departments as existing resources were inadequate to enable them to undertake all the work planned. To their surprise, the proposed reallocation was accepted.

The governmental process of budgeting by which amounts of money have to be nominally allocated to specific tasks so that individual departments can go forward with Treasury Board submissions meant that the allocations were based largely on relative priorities rather than on an accurate assessment of the nature of the work that would need to be supported. The work would have to be cut to fit the budget cloth, rather than the budget necessarily reflecting anticipated work.

By this point, the proposed VSI had an overall mandate, as determined jointly by *Working Together,* and budget allocations that had been established by government, but were vetted and agreed upon by voluntary sector representatives. In addition, the small group of voluntary sector leaders involved at this stage had a pretty good idea about which of the more challenging issues the Government of Canada was not prepared, at least not initially, to deal with in a joint manner. Perhaps most importantly, there was a reservoir of good will and experience in working collaboratively on both sides.

Setting Up the VSI

Both the Government of Canada and the voluntary sector wanted to move quickly in establishing the VSI, getting it funded, working on its broad agenda and being able to deliver some "quick hits." Therefore, some critical decisions were made regarding the structural design and financial administration that were more an extension of past experience or the product of expediency than of careful planning. The recommendation of the *Working Together* report had been to have a central implementation team, supported by the VSTF. This was considered by government to be impractical for two reasons. First, the PCO does not have the program authority to hold funds.[25]

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[24] In a survey conducted by the Canadian Centre for Philanthropy of 266 voluntary organizations to determine how the broader voluntary sector would rank the 26 Working Together recommendations in terms of high, medium or low priority, there appeared to be strong agreement on the top five: to develop processes and structures to ensure that the sector's diverse voices are heard on policy matter (200 of 266 organizations assigned this a high priority); funding (189 rated as high); establishing a Joint Implementation Group (177 rated as high); assigning a lead minister or group of ministers (165) and developing a federal/provincial action plan to address directors' liabilities (163). The creation of an Accord and a National Volunteerism Initiative were rated somewhat lower in status, being seen as a high priority by 55 percent and by 47 percent respectively, of the survey respondents. See Canadian Centre for Philanthropy, "CCP Report on Voluntary Sector Expectations." Toronto: CCP, 2000. Available at http://www.ccp.ca.

[25] A number of leaders from the voluntary sector had differing views on this and indicated in interviews that they believed that there were, in fact, examples in which PCO had taken a lead role in a program area and controlled resources.

Second, there had to be incentives for relevant departments to come on board in the implementation phase. This necessitated that they have direct involvement and some control over financial administration.

The decentralized approach was also compatible with the rationale underlying the Social Union Framework Agreement (SUFA) that was dominating the federal approach to intergovernmental and other relations at the time.[26] The carryover of the SUFA philosophy was that federal departments and the voluntary sector needed to be treated as 'grown-ups,' and their autonomy and integrity respected. This reinforced the notion that departments do not need to be supervised from a central point, but need only a common framework and shared understanding to develop effective working relationships.

As a vehicle for collaboration, the Joint Table model, which had been so successful in *Working Together*, seemed to be the obvious choice. The main question was how many Joint Tables were required. From the perspective of the VSTF, at least two were needed: a Joint Steering Committee that would oversee the various aspects of the work and a Joint Accord Table because a framework agreement was a top priority and it could not imaginably be developed in any way other than jointly. The other aspects of the mandate could be implemented by various departments and they could determine their own means of seeking advice or collaborating in this process. The departments charged with various pieces of the VSI signaled that they wanted to adopt the Joint Table model as well. Thus, the VSI structure took shape based largely on the popularity of the previous Joint Tables without much evidence of how this process would be different from the earlier one. The structure that was proposed by government was developed internally, rather than following the *Working Together* recommendations or being planned in a joint manner.

As discussed in the next chapter, the adopted structure was more complex than *Working Together* with many more Tables that would have a mix of policy and operational responsibilities, and that would be relatively autonomous, working in conjunction with different departments.

The preparation of the Treasury Board Submission for funding was also prepared with expediency in mind. Rather than creating new funding programs or a centralized fund for the VSI which would take time to set up, it was decided that departments would use the most convenient existing programs they had to hold their funding allocations. All could use their Operating and Management (O&M) accounts, and for those with large grants and contributions programs, these would be used as well. While this accomplished the goal of moving into action quickly, it meant that different tables had somewhat different requirements in how funds were to be administered and different constraints over contracting processes. Particularly for voluntary sector participants who were unfamiliar with government requirements and procedures for spending, these differences created some confusion and misunderstanding, as will be discussed later.

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[26] This point was contributed by members of the VSI Evaluation Steering Committee.

Expectations

Expectations can influence subsequent behaviour and assessments of how things went in important ways. If expectations are unrealistically high going into a collaborative process, it may be extremely difficult to please participants no matter how well a joint initiative is handled. On the other hand, extremely low expectations may make almost any activity seem positive. In the interviews, participants were asked whether they thought the expectations of the voluntary sector and of the federal government were realistic going into the VSI.[27]

The voluntary sector is generally seen to have had higher expectations about what the VSI process would accomplish than did government. As one senior public servant put it: "The federal government hadn't really reflected on the VSI enough. It was politically driven with the view of the key Ministers that they were building a relationship. But, building relationships is not what the public service does – it delivers programs, conducts policy analysis, and creates services." In contrast, voluntary sector leaders are believed to have had a much clearer idea of what they wanted out of the VSI, at least in a few specific areas – an initiative to promote volunteerism, a framework agreement and specific regulatory changes. In other areas, such as "increased awareness of the sector," "enhanced capacity" or "improved technology," what would and could be achieved was probably as vague for the voluntary sector as it was for government going into the process.

In some respects, the voluntary sector participants may have had unrealistically high expectations as to how the VSI would work and what it could achieve. The reason is that many did not understand how government works: they did not appreciate its complexity, that things move slowly, the amount of bureaucracy that could be involved and the amount of energy the VSI would take. It is difficult to generalize about expectations across the voluntary sector as a whole, however. The core group of sector leaders who had been part of *Working Together* had much more realistic expectations than the broader sector which tended to be unduly optimistic, possibly assuming that the VSI might mean increased funding for their organizations, or quite cynical. This created a challenge for the sector itself to manage internal expectations and communicate about the VSI. A number of participants felt that government did not help much to manage expectations in the voluntary sector because it was not very clear about how open the door was to dealing with certain issues, and so left these open to interpretation and confusion.

As in the voluntary sector, there was a difference in government between those who had been part of *Working Together* and the newcomers who had little experience in joint work. The latter were described as being "realistically trepidatious" about the process and the risks involved, and this was seen to be one reason that such an elaborate process was established.

What these differences in levels of expectations between the voluntary sector and the Government of Canada did was to sow some of the seeds of its own discontent from the beginning.

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[27] Note that each respondent was asked about expectations in both the voluntary sector and government. This question was seldom asked of anyone who joined the VSI late and thus had little knowledge of its early days.

Conclusion: Implications of the Context for the VSI

The period leading up to the VSI established some important parameters and expectations that would have an influence on how the VSI worked and that offer some initial lessons about the processes of collaboration and horizontal management. The first is the basic observation that relationships and attitudes can change with political leadership, sometimes in quite short periods of time as witnessed by the shift in the relationship between the Government of Canada and the voluntary sector in the five year period from the mid 1990s to the announcement of the VSI in 2000. In this case, both voluntary sector leaders and public servants were politically astute in recognizing that policy windows often are open for only quite short periods of time. They therefore designed the VSI to provide some fast deliverables – some products that could be seen as "small wins" to create visibility and generate momentum for ongoing efforts.

Does success breed success? The recent success of the *Working Together* partnership certainly created many positive expectations. It was also assumed that the success of its structure and process could be directly implanted, with equal success, in a second round.

Chapter 3 – The Components of the VSI:
An Overview

The VSI: An Overview

The structure that was developed for the VSI was multi-faceted and complex for several reasons. First, it was a collaborative process, using the Joint Tables and several more specialized collaborative mechanisms as the primary vehicles. Second, it was also decentralized. Each of the six Joint Tables charged with the substantive work of the VSI was attached to a federal department that held its funding envelope and provided secretariat support.[28]

In addition to the matters that were to be addressed in a joint manner, there were several separate and parallel activities. These included on the sector side, two Working Groups (on Advocacy and on Financing) and an Aboriginal and a Visible Minority Reference Group. On the government side, there was a Study on Funding,[29] the development of a Satellite Account at Statistics Canada[30] and ongoing work at Industry Canada on reform of legislation governing federal incorporation of nonprofits. Both the Government of Canada and the voluntary sector had their own secretariats, the VSTF, housed in the Privy Council Office to serve the former, and the Voluntary Sector Initiative Secretariat (VSIS) for the latter.

This amount of activity and its decentralization created a need for some means of coordination which became the responsibility of a Joint Coordinating Committee (JCC). Its role, as initially conceived, was limited to coordinating work and consultative processes, rather than providing oversight and strategic direction. As discussed in Chapter 4, it would eventually carve out a more significant leadership role for itself.

The governance structures for each side were also naturally separate functions. For the Government of Canada, political leadership was provided by a Reference Group of Ministers and by an ADM Executive Committee. Because the initiative was decentralized, their task was not simply to provide top down governance, but to lead the process of horizontal management across the many departments involved. Such coordination was assisted by an ADM Advisory Committee and by three interdepartmental committees.

Leadership for the voluntary sector was carried forward from the *Working Together* process by the VSR which transformed itself into a broader group, known as the Voluntary Sector Steering Group (VSSG), by including the voluntary sector co-chairs of the Joint Tables, the chairs of the

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[28] To get a broad base of departmental participation, the intent was that a department would support only one table, although the Department of Canadian Heritage ended up supporting two tables by default when another department refused. Secretariat support for the Joint Accord Table was not provided by a department, but by the VSTF and the VSIS.

[29] The federal Funding Study which was a small group based at the Treasury Board Secretariat had two primary tasks: to quantify the extent of current government funding to the sector, and to examine federal funding procedures. The first was identified as a necessary first step before any consideration could be given to extending access to the tax system, but it was abandoned as not feasible before being completed.

[30] The Satellite Account of Nonprofit Institutions and Volunteering was developed as part of Canada System of National Accounts, maintained by Statistics Canada. It is designed to improve understanding of the contribution of the voluntary sector to the economy by providing information (similar to that gathered for other sectors) on the fundamental characteristics of the voluntary sector, such as sources of revenue, categories of expenditure and value of non-market activities.

sector only Working and Reference Groups, and the sector members of the JCC. While the VSSG assumed a governance function for the voluntary sector, this was necessarily more complicated and ill-defined than for government as the sector is not a single entity, and there are no lines of vertical authority nor established procedures for governance and accountability for this context. Thus the strength and the legitimacy of the VSSG rested on its credibility within the VSI and within the broader voluntary sector to act on its behalf, not on its explicit authority.

The other complexity is that, while the structure of the VSI was decentralized to some extent, it was not wholly decentralized. Although parts of the VSI worked in relatively autonomous ways, such as the Joint Tables, other activities were more centralized, being quite tightly controlled by the central decision making and accountability processes of the government or the voluntary sector. For instance, the two primary secretariats (the VSTF and the VSIS) were both intended to work very closely and take direction from their relevant governing bodies.

Dueling Dimensions: Joint/Separate, Decentralized/Centralized

In Table 3.1, these components are categorized as being joint versus separate *and* as being decentralized versus centralized. These distinctions are admittedly fuzzy, however, because for many parts of the VSI the degree to which they worked jointly or separately was influenced by the particular task at hand. A brief description of the function of each is provided in Table 3.2.

TABLE 3.1
The VSI: Elements of Collaboration and Decentralization

	Centralized	**Decentralized**
Separate	Government: VSTF (Voluntary Sector Task Force) Reference Group of Ministers ADM Executive & Advisory Committees Consultations within government Voluntary Sector: VSIS (Voluntary Sector Secretariat) VSR (Voluntary Sector Roundtable) VSSG (Voluntary Sector Steering Group)	Government: Government Study on Funding Satellite Account Team Joint Table Secretariats/Departmental involvement Interdepartmental Working Groups (Policy, Operations and Communications) Voluntary Sector: Aboriginal and Visible Minority Reference Groups Working Groups on Financing and Advocacy Consultations with the voluntary sector
Joint	VSI Website	Joint Tables Collaborative Mechanisms (Experts Group on Nonprofit Law and Liability; Canada Survey of Giving, Volunteering and Participating; IYV Coordinating Group)

TABLE 3.2
Description of the Components of the VSI

Joint & Decentralized Components	
Joint Tables: **JCC** (Joint Coordinating Committee) **AJT** (Awareness) **CJT** (Capacity) **IM/IT** (Information Management & Information Technology) **JAT** (Accord) **JRT** (Regulatory) **NVI** (National Volunteerism Initiative)	A Joint Table consisted of 14-16 members, chosen in equal number from the voluntary sector and the public service of Canada, and jointly co-chaired. An independent selection committee chose representatives from the voluntary sector from among a pool of over 1000 nominations, with the intent of representing a diagonal slice of the sector (as determined by criteria of size of organization, region etc.) Public servants were normally asked by their superiors to participate. In addition to the six Joint Tables that carried out the substantive work of the VSI, a separate Joint Coordinating Committee (JCC) provided coordination among them. The Joint Tables worked relatively autonomously although they were asked to submit work plans and progress reports to the JCC. Government members were accountable to the ADM Executive committee and to the Reference Group of Ministers, as well as their own departmental managers and ministers. Voluntary sector members were accountable to the Voluntary Sector Steering Group.
Collaborative Mechanisms	Several smaller, less formal mechanisms were established to deal with highly specialized issues of the VSI. These included the Statistics Canada Joint Committee on the Canada Survey on Giving, Volunteering and Participating; an Experts Groups on Nonprofit Law and Directors' Liability; and the International Year of Volunteers Coordinating Group.
Separate & Decentralized Components	
Government:	
Government Working Groups/Mechanisms	Several activities were part of the VSI, but were not undertaken in a joint manner. A government only body was established to conduct a study on Federal Funding policies related to the sector and to quantify the extent of current federal government funding to the sector; a small group at Statistics Canada worked on the development of a Satellite Account; Industry Canada staff were involved in reform of the *Canada Corporations Act.*
Departmental Involvement/ Secretariats to the Joint Tables	Federal departments were responsible for holding and managing the funds assigned to the work of each Joint Table. Most of the Joint Tables had a small secretariat assigned to it, also managed by the department responsible. Some of the table secretariat staff were full-time employees of the departments, while others were term employees or outside contractors hired specifically for this work.
Interdepartmental Working Groups	Interdepartmental committees on Policy, Operations, and Communication, met occasionally to address cross-cutting issues at the operational level within government.
Sector:	
Sector Only Working Groups	In order to address two issues that were not a joint part of the VSI, the voluntary sector established a sector only Working Group on Advocacy and one on Financing.
Aboriginal and Visible Minority Reference Groups	In June 2001, two Reference Groups were convened with the assistance of the VSIS to address the initial under-representation of the Aboriginal and Visible Minority communities. Consisting of nineteen and eighteen members respectively, the Aboriginal and Visible Minority Reference Groups were intended to bring the perspectives of these communities into the mainstream of the VSI. Each worked quite independently, although they had considerable assistance from the VSIS.

Consultations with the Voluntary Sector	140 consultations were held across the country with voluntary organizations over the course of the VSI. Some of these were organized by the Joint Tables and consulted around specific issues. Most of these were attended by staff and at least one government and one voluntary sector member of the Joint Tables, as well as the VSIS staff. Others were more general consultations organized mainly to provide information dissemination. The VSIS was responsible for managing these consultations and local host voluntary organizations were contracted to organize the logistics of events in their community.
Separate & Centralized	
Government:	
VSTF (Voluntary Sector Task Force)	The Voluntary Sector Task Force, housed in the Privy Council Office, served as the secretariat for the initiative as a whole on the government side; it was also the government's secretariat to the Joint Coordinating Committee and the Joint Accord Table.
RGM (Reference Group of Ministers)	A group of 8-9 Ministers from relevant departments and chaired by Lucienne Robillard, President of the Treasury Board provided leadership and political oversight. The RGM was technically a subcommittee of the Cabinet Committee on the Social Union.
ADM Executive and Advisory Committees	The Assistant Deputy Ministers Executive Committee was a working group composed of senior officials from the major line departments (HRDC, Health, and DIAND) and from the central agencies (Privy Council Office, Treasury Board Secretariat and Finance). It was carved out of a larger Committee of ADMs on which 23 departments and agencies were represented. The larger ADM Advisory Committee continued in existence, but met less frequency after the Executive Committee was formed.
Consultations with Government	A number of consultations with government departments and agencies were held over the course of the VSI. Most of these were organized around the Accord and the development of the codes of policy dialogue and financing. These consultations were organized by the VSTF.
Voluntary Sector:	
VSIS (Voluntary Sector Initiative Secretariat)	The Voluntary Sector Initiative Secretariat served as the secretariat for the voluntary sector side and, with the VSTF, served the JAT and the JCC. It was also the secretariat for the sector only Working Groups and the Reference Groups. It was funded on a contribution agreement from the VSI, administered through Canadian Heritage, and was hosted by the Coalition of National Voluntary Organizations (NVO).
VSR (Voluntary Sector Roundtable)	The Voluntary Sector Roundtable was an unincorporated group of national organizations and coalitions, broadly representing the major parts of the sector, that came together in 1995 to provide a national policy voice for the sector. It formed the nucleus of the VSSG, and part way through the VSI suspended its separate meetings as being redundant.
VSSG (Voluntary Sector Steering Group)	The Voluntary Sector Steering Group was composed of the members of the VSR, the sector co-chairs of the Joint Tables, the Chairs of the sector-only Working Groups, and Reference Groups and the sector members of the Joint Coordinating Committee. It was designed to provide leadership and strategic overview on the VSI and related policies.
Joint & Centralized	
Website	The voluntary sector initiative website (www.vsi-isbc) was jointly sponsored and managed by the Government of Canada and the voluntary sector as a central access point for information on the VSI. Its operation was the responsibility of the VSTF and VSIS.

Putting the Pieces Together

The VSI commonly used two diagrams to show how the various components fit together. Figure 3.1, which is often known as the "Bubble Chart," illustrates the relationships among the Joint Tables, the other mechanisms and working groups and the secretariats. Figure 3.2 presents the VSI from the perspective of horizontal management and accountability mechanisms within the Government of Canada.

FIGURE 3.1
Main Components of the Voluntary Sector Initiative
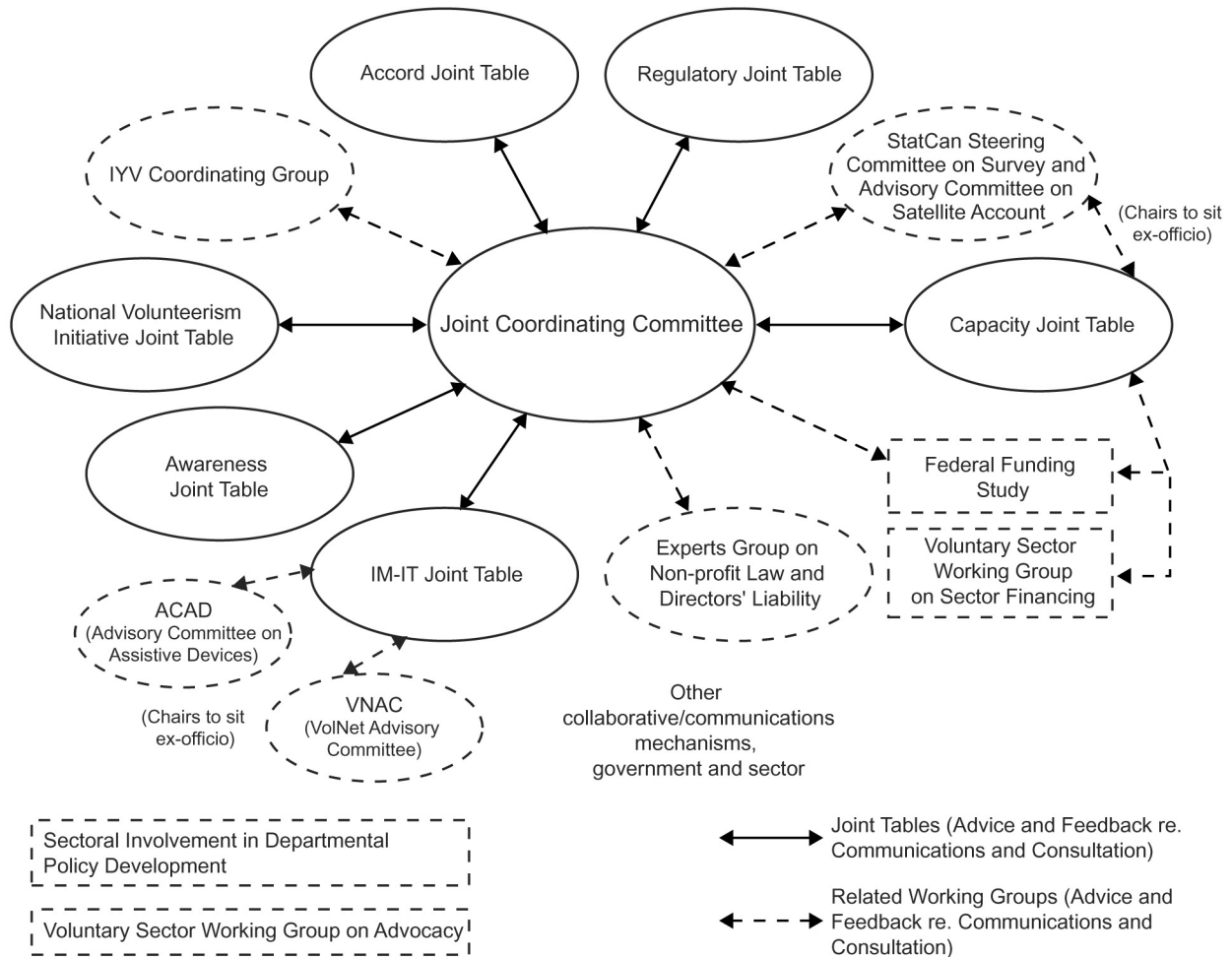
FIGURE 3.2
Horizontal Management and Accountability
of the VSI within the Government of Canada

Managing the VSI within the Government of Canada

[1]

Minister ⇄ Selected participation on/guidance from	**Reference Group of Ministers on the Voluntary Sector**
⇧ Accountable to	Provides committee support to Provides file advice to
DM	**Deputy Secretary to Cabinet (Operations)**
	Assistant Sec.to the Cabinet - Reference Group of Ministers support - Voluntary Sector Task Force - file support -
⇧ Accountable to	Provides file advice to
ADM ⇄ Participation on/ guidance from	**ADM Executive Committee-9 depts** **ADM Advisory Committee-23 depts**
⇧ Accountable to	Provides planning coordination advice to
Project Leader ⇄ Participation on/ guidance from	**Interdepartmental Working Groups (Policy, Operations, Communications)**

Chapter 4 – The Parameters of the VSI

Introduction

The VSI naturally began with some givens or relatively fixed parameters within which to work. It had a mandate, a time frame in which to deliver on this mandate, financial and staff resources assigned to it, representation of both the voluntary sector and the Government of Canada, and structures for collaboration, horizontal management and governance. This chapter addresses the questions:

> ➤ How effective were the mandate, resources, model of representation, and structural design of the VSI in facilitating collaboration and horizontal management?
> ➤ What could have been done differently and more effectively?

As indicated in the introductory chapter, the approach to evaluation is to draw upon multiple sources of evidence. Wherever possible, 'objective' measures, such as the actual levels of resources or turnover in Joint Table membership, have been developed. The self-assessments of the public servants and voluntary sector representatives involved are also important indicators of what worked well and what did not work so well. Indeed, personal perceptions of experience are in many instances the more informative measures because the process was not always captured fully in written documents.

The experience of participants has been assessed in a systematic way through in-depth interviews with 102 government officials and voluntary sector representatives who had some responsibility for the work of the VSI.[31] Their perceptions of the adequacy and effectiveness of the parameters were assessed in a systematic way by asking for ratings on a 0 to 10 scale of the key dimensions of the VSI. These ratings were supplemented by more open-ended questions that enabled participants to elaborate, in their own words, on how and why each of the parameters worked as it did. In the analysis, both the average ratings on the consistent scale, and more descriptive assessments and quotes are reported.[32]

Mandate and Time Frame

Three aspects of the mandate are relevant to this evaluation:

> ➤ breadth, in terms of the specific number of objectives to be pursued in a given time frame;
> ➤ clarity, specifically whether the mandate was clearly articulated so as to be understood in the same way by both government and voluntary sector participants; and
> ➤ flexibility to accommodate new issues as they arrive.

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[31] The sample was drawn on a proportionate basis from each of the major components of the VSI (see Appendix A). A somewhat surprising finding is that there are very few significant differences in ratings between the government and the voluntary sector participants. This suggests that there was no bias in the methodology favouring either the government or the voluntary sector.

[32] The total number of participants who were asked any of the questions pertaining to the VSI overall to which ratings were requested was 90 (those involved in more specialized tasks, such as the representatives of voluntary organizations which served as hosts for the consultations, were not asked to give assessments of the VSI overall). In the analysis, responses to any particular question rarely total 90, however. The reason is that when participants felt they did not have adequate knowledge or experience with a particular component, they declined and were not pressed to give a rating on it. Quotes are used for only when a similar idea was noted by several participants.

Breadth of the Mandate

"The twin objectives of the Voluntary Sector Initiative are:

➢ To increase the capacity of the sector to meet the demands Canadian society places on it; and
➢ To improve the government's policies, programs and services to Canadians, leading to increased public confidence."

Government of Canada, Partnering for the Benefit of Canadians: Government of Canada-Voluntary Sector Initiative, June 9, 2000.

The goals and objectives of the VSI were taken directly from the recommendations of the *Working Together* Joint Tables, carrying forward approximately 60 percent of its 26 proposals. This respected the work of the initial collaboration and recognized an opportunity to take advantage of the policy window that was currently open. Thus, the selected *Working Together* recommendations were pushed through this policy window all at once, with little sequencing of priorities over time. This meant that a great deal had to be accomplished in a short period of time. A key difference, however, was that *Working Together* had quite sharply focused its recommendations around three themes: the relationship, capacity building and regulatory reform. The mandate of the VSI, in contrast, consisted of a large number of quite discrete objectives that were less organized around themes. This tended to dilate attention outward again which was somewhat disorienting for many of the participants.

Although funding for the VSI was budgeted over five years, the Joint Table phase was to operate for two years during which time the bulk of the programs and projects would be underway, and could then be completed by either government departments or voluntary organizations in the subsequent three years. This time frame was partly a reflection of political realities – that two years is about the outer limit in maintaining an issue on the political agenda. Two specific objectives, the creation of a National Volunteerism Initiative and the development of an Accord, were on a tighter time schedule than the rest as both were high priorities for the government. The former was tied symbolically to the International Year of Volunteers (IYV), and there was a desire to have both announced before IYV ended in December 2001.[33]

Was the mandate too broad? The VSI participants had quite clear views on this. The majority view is that the VSI suffered from goal overload. Seventy five percent (30 of the 40 respondents who answered this question) said that the mandate was far too broad and ambitious. While the mandate was ambitious, it was perhaps necessarily so, given that *Working Together* had put a large number of issues on the table at the same time. An alternative would have been to prioritize objectives, allowing them to be staged over time.

Of course, assessments of whether the mandate is too broad or not depends in large part on the time frame. In the views of participants, over 50 percent felt the time frame for the VSI was too short (18 of 34 responses); 26 percent that it was adequate; and 20 percent felt it was too long.

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[33] The Accord had initially been fast-tracked by the VSTF for an even earlier completion date, to be presented to Cabinet in the early spring of 2001 with a signing ceremony in March. It quickly became evident, however, that such a short deadline would be impossible to meet. Privy Council Office, Background to the Initiative, Governance Structures, Current Planning *Assumptions and Additional Reference Material*. June 26, 2000.

But, again this was often set in the context of the mandate: had the mandate been more focused and clearer, the time frame would have been adequate.

What emerged from the discussion of the time frame was a sense that there is an important tradeoff involved, something to which government participants were particularly attuned. The tradeoff is that the time frame needs to be long enough to achieve the substantial work that is to be done in a collaborative manner, but if it is too long (more than two years), political interest begins to wane. Thus, matching the time frame to the mandate *and* to political realities are both important, but these are sometimes competing considerations.

Putting the two together, it appears there was widespread agreement among the VSI participants that given the broad mandate, more time was required. This was particularly so because time was needed at the front end for getting to understand and trust each other before participants could turn to the content of the work. If the mandate had been more focused and issues prioritized, the two-year period would have been sufficient. It was the combination of the broad mandate and the limited time frame that impeded the effectiveness of the VSI.

FIGURE 4.1

Mandate and Timeframe

58 - 62 responses
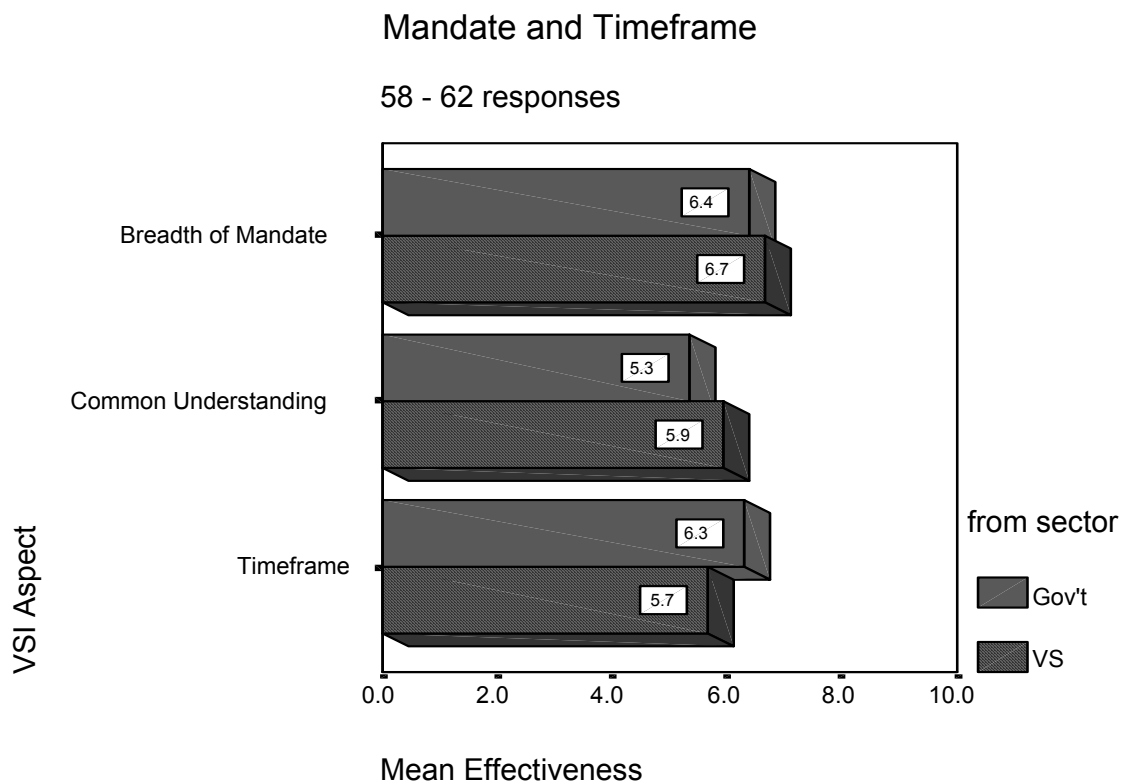
Clarity of the Mandate

"The mandate/terms of reference for this initiative did not provide adequate direction in terms of objectives, lines of authority or responsibilities. Clarity in this regard is necessary to promote effectiveness and efficiency, and to avoid potential misunderstandings about 'where the buck stops.'"

JAT, *Final Report*, 2003. p. 8

Mandate of the VSI Overall

While the overall mandate for the VSI emanated directly from *Working Together* – a process of agenda setting in which the voluntary sector had a full if not dominant role – it was codified and formalized through the MC in November 1999. This was not a joint process and an MC is necessarily secret, so the specification of what the Government of Canada was prepared to address as part of the VSI mandate could not be shared directly with voluntary sector representatives. This was significant mainly in respect to three contentious issues related to the regulation of advocacy, access to tax benefits and financing the sector. Whether the government had stated unequivocally that these were off the table for discussion, or whether ministers were prepared to discuss them at a later point, albeit not initially, was not clear to most of the voluntary sector participants, and became an ongoing source of criticism. The small group of VSR members who were involved in discussions with senior officials over preparation of the initial Aide Mémoire and subsequent documents had a good idea of the government's official position on these issues, but as more participants became involved with the creation of the VSI, the ambiguity of the government's position was increased and was never clarified for broad consumption.

In rating the extent to which there was a shared understanding of the mandate, government participants on average gave it only 5.3 and the voluntary sector participants 5.9 (out of 10). It was widely acknowledged, however, that a shared understanding evolved considerably from beginning to end of the VSI process. Indeed, some participants even gave different ratings for the two time periods. In addition, a common view is that there was a good mutual understanding of the big goals and the small ones, but less so of the ones in the middle.

Mandates of the Joint Tables

This lack of clarity of mandate played out in several ways at the Joint Tables. The breadth, specificity and clarity of the mandates of the Joint Tables could be roughly rank ordered, as follows in Table 4.1

TABLE 4.1
Mandates of the Joint Tables Rank Ordered

Joint Table	Mandate	Specificity of Mandate (1 = most specific; 6 = least)	Time Spent in Debating Mandate (1 = most time; 6 = least)
Accord	Serve as focal point for the development of a framework document and associated implementation measures	1	6
NVI	Make recommendations to government and sector which will result in the development of policies and tools to strengthen volunteer efforts, to promote volunteering, and enhance the capacity of the sector to better manage volunteers and provide experiences beneficial to them.	2	5
Regulatory	Review Canada's regulatory framework for the voluntary sector	3	4
IM/IT	To meet the vision that the sector can demonstrate IT leadership and manage information efficiently and effectively; develop and implement initiatives to help strengthen voluntary organizations with the knowledge and technical capacity they need to achieve their missions,	4	3
Capacity	Develop better understanding of current challenges facing the sector and collaboratively develop means to strengthen the sector's capacity to meet demands placed on it by Canadian society.	5	2
Awareness	Foster recognition of the vital role of voluntary sector in Canadian Society by: informing various audiences on work of voluntary organizations; positioning the sector as contributor to Canada's social, economic and cultural well-being; encouraging Canadians to participate and become engaged in sector work; and developing tools that will "tell the story" of the sector.	6	1

Although the rankings in the above table are necessarily rough estimates, what seems apparent is that the broader, more vague the mandate of a Joint Table, the more time that was spent upfront in debating, defining or redefining the mandate. Several Joint Tables spent considerable time on discussions of mandate, only to come back to the initial starting point of the *Working* Together report.

The time that several Joint Tables spent in reviewing and debating their mandates was abetted by a sense of a certain luxury of time, a perception created by the lack of clarification of the time frame. Indeed, members of the AJT did not realize until six months before it was to end, that they had been only two years to complete their work. The AJT had presented a work plan to the JCC that reflected a five year time horizon, and the misimpression that it would have this long to complete its work was somehow never corrected. In the case of the IM/IT, members not only believed that they had more than two years to fulfill their mandate, but believed, incorrectly, that they would then oversee implementation of their recommendations.[34]

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[34] IMIT Joint Table, *Final Report*, Ottawa: VSI, p. 4.

This confusion is understandable given that all of the public announcements described the VSI as being a five year initiative. Funding for most of the tables was to last two years, whereas funding for the activities, not necessarily the tables *per se*, for the Awareness, Capacity and IM/IT Joint Tables were to last five years.

A Crisis over Mandate: The Joint Regulatory Table

The Joint Regulatory Table ran into a crisis related to mandate that stems directly from the secrecy of the MC. In fact, of all the Joint Tables, the JRT was the only one that came close to blowing apart with a major crisis. At first, the table members thought they had a good understanding of the mandate and started quite swiftly to work on concrete objectives, spending a great deal of time on revising the T3010 reporting form for charities. They interpreted their mandate broadly, however, to include issues around advocacy and access to the tax system, in part because expectations had been created by the *Working Together* report that these matters could be the subject of discussion with ministers at a later date.

When a new representative of the Department of Finance joined the table some eight months into the process, the table had already begun to work on matters that were technically beyond its mandate, as specified in the MC. To this point, however, it had not been prevented from doing so nor had the mandate been held up as constraining in any serious way. The discrepancy between its actual and its presumed mandate had been created by the fact that the original mandate and its limits had been contained in the MC (and even in the MC it was apparently open to some interpretation). The MC could be seen by the government members, but due to conventions of secrecy could not be shown to the voluntary sector members.

Not surprisingly, the corrective action attempted by the Department of Finance met with some resistance in large part because the original document could not be presented and used in a constructive manner. Although the participants had differing views about whether the government should have been flexible on the mandate and whether Finance was 'selective' in choosing when limits were applied, the crisis could probably have been averted had a means been found to make the mandate public and accessible at the beginning, for example in separate, written terms of reference or a mandate briefing meeting.

Flexibility of the Mandate

The mandate of the VSI never flexed to address in a joint manner the issues of advocacy, financing and access to the tax system which were all vitally important to the voluntary sector and this remained a point of contention for many sector participants. The flexibility of the mandate was put to the test by the crisis at the Joint Regulatory Table. Following the clarification by government that the mandate did not extend to include policy questions related to the regulation of advocacy or policies regarding access to the tax system, the voluntary sector co-chair pushed to have the mandate extended. While there was little flexibility in the official mandate of the Joint Table, intervention from the JCC and the ADM Committee with a supportive part played by the VSSG managed to find an adaptive way to address the issue. Although access to the tax system was kept aside, the issue of regulation of advocacy was cleverly spun off to an "Alternative Mechanism" that involved informal meetings of voluntary sector representatives and government officials outside of the Joint Table process. Although at first the sector was not happy with the offer of the Alternative Mechanism, it was quietly made clear through the JCC co-chairs that this was the only

offer forthcoming on this issue, and so they agreed to work it through. New guidelines on advocacy were released in the fall of 2003, although they were still seen to be unduly restrictive by lead organizations in the voluntary sector.[35]

Should the mandate of the VSI been made more expansive to address the issues that were central irritants for the voluntary sector? There are mixed views on this. In their own self-assessment of the process, the members of the JCC as well as many of the other participants we interviewed felt that no progress would have been made in a joint process on these contested issues that so centrally involve the Department of Finance and amendments to the *Income Tax Act*.[36] Rather, the voluntary sector would have been better off to apply political pressure outside of the context of the VSI. The point goes to the limits of collaboration, and that some issues may be better dealt with outside of collaborative means. It also suggests, however, that if one party refuses to deal with the major issues that are central to its partner within the framework of a collaboration, the sense that this is truly a collaboration is greatly reduced.

Resources

Financial and staff resources support joint work and set limits on what is possible. In this section, we consider the budget parameters of the VSI and whether the financial and staff resource seen to be appropriate by participants.

Financial Resources

Allocations by Fiscal Year

The official announcement of the VSI in June 2000 provided for $94.6 million over 5 years with the bulk of the funding to flow in the first two years as follows:

TABLE 4.2
Original VSI Allocations per Fiscal Year: 2000-2005
($ millions)

2000-01	02	03	04	05	Total
30	30	15	9.8	9.8	94.6

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[35] When the new guidelines were announced in the fall of 2003, three national organizations – the Voluntary Sector Forum, the Canadian Centre for Philanthropy and IMPACS – issued a press release indicating that from the sector's perspective, the guidelines were not adequate because they continue "to strictly limit the ability of charities to advocate for policy change." The press release is available at http://www.voluntary-sector.ca/VSF/National-issues/media_release_oct0703.htm

[36] Joint Coordinating Committee, "Record of Discussion, Meeting of September 5, 2002," VSI files.

In October 2000, when half the fiscal year had already passed, the profile of the allocations was modified slightly to transfer expenditures for the Accord and Awareness from 2000-01 to the following year:

TABLE 4.3
Actual VSI Allocations per Fiscal Year: 2000-2005
($ millions)

2000-01	02	03	04	05	Total
26.5	33.8	14.7	9.8	9.8	94.6

FIGURE 4.2
Original Allocations Including SIDPD
(in millions)
Total Budget: $94.6 million
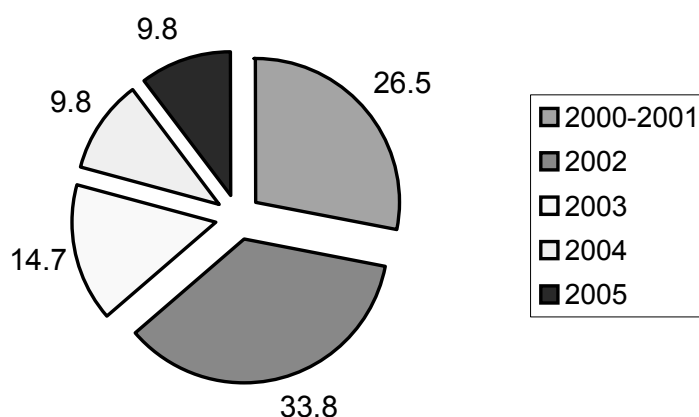
The SIDPD component of the VSI shared with the others a goal of enhancing capacity in the sector, but it operated outside of the mandates of any of the Joint Tables or Collaborative Mechanisms and is beyond the scope of this evaluation.[37]

When SIDPD is left out, annual allocations for the components of the VSI that are the subject of this evaluation are as follows:

TABLE 4.4
VSI Allocations per Fiscal Year (2000-2005) Minus SIDPD
($ millions)

2000-01	02	03	04	05	Total
18	31.1	8.9	3.9	4.2	66.1

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[37] In the first round in the summer of 2000, departments submitted proposals and invited voluntary organizations with which they had a working relationship to join them in undertaking particular projects that would enhance policy dialogue. This process was overhauled in the second round in the spring of 2001 to make it more democratic and transparent with clearer selection criteria. A joint panel of federal government and voluntary sector representatives reviewed the proposals brought forward by 17 departments and agencies and 46 projects were approved. See "Press Release: Government of Canada and Voluntary Sector Shaping Public Policy," March 2002. Available on the VSI webstie at http://www.vsi-isbc.

FIGURE 4.3
Original Allocation Excluding SIDPID
(in millions)
Total Budget: 66.1 million
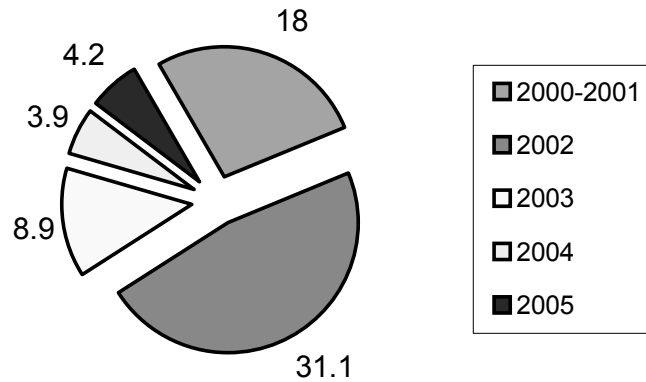
What is evident from this chart is that the heavy expenditures were planned for the first two years, the Joint Table phase of the VSI. By the time that the VSI was announced in June 2000, the 2000-2001 fiscal year was already underway and by the time that the Joint Tables were actually operational in October or November of 2000, the first fiscal year was more than half over. This placed a large amount of money to be spent in the first six months of the operation of the tables.

The actual expenditures by the Joint Tables and related mechanisms was somewhat less than these allocations as some money was lapsed (not spent in a fiscal year and thus returned to the Consolidated Revenue Fund) or was re-profiled to subsequent fiscal years. Because there is no final, comprehensive account of expenditures that is agreed on by all parties, it is not possible to indicate actual expenditures during the period fiscal years 2000-2001 and 2002-2003.

Allocations by Activity

The VSI funding (excluding SIDPD) supported the bundles of activities shown in Figure 4.4.

FIGURE 4.4
Allocation Broken Down by Activity
(in millions)
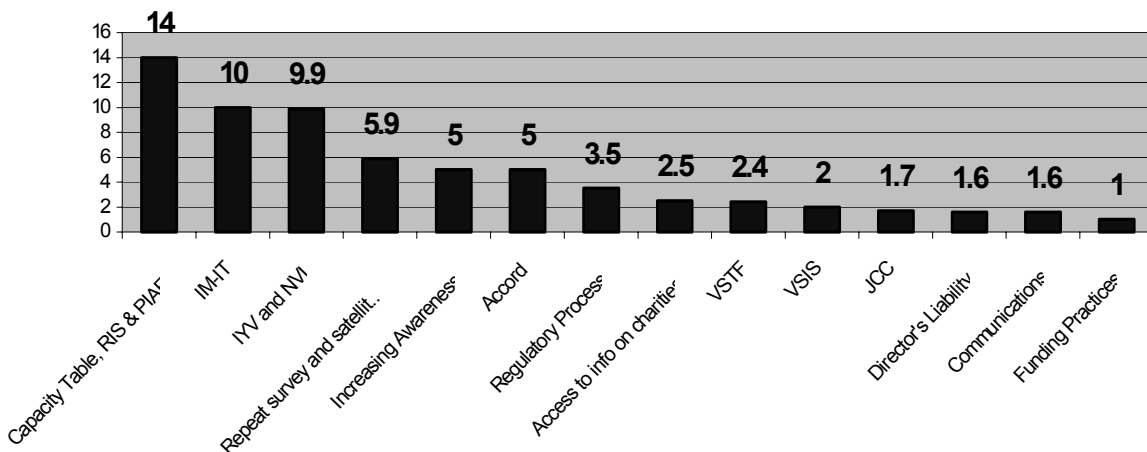
(Data for this and all subsequent tables and charts related to finances are derived from VSI data.)

Funding allocations for these activities were held by departments, not by the Joint Tables or other mechanisms as they not in themselves legal entities. In total, ten departments and agencies were involved in financial administration. Among departments, spending was shared widely; Industry Canada, Health, HRDC, CCRA, TBS, and Canadian Heritage (PCH) each had responsibility for many of the key activities, sometimes in partnership with HRDC and Health. Both the VSTF and the VSIS were funded through the Department of Canadian Heritage.

Several government participants we interviewed argued that the process of financial administration would have been greatly simplified if a central program with a sunset clause had been established, rather than using a decentralized, departmental model. There was a tradeoff, however, in creating incentives for departments to participate fully, and in moving quickly without getting authority for a new vote from Parliament. Others mentioned that it would have been very difficult for PCO to administer this type of centralized program.

Participants' Perceptions of Financial Resources

Was the VSI budget adequate and its allocations among specific activities appropriate from the perspective of participants?

In interviews, participants were asked to rate (0 to 10):

 ➢ how effective or adequate was the overall level of financial resources for the VSI?
 ➢ how appropriate was the allocation of this funding envelop to specific components of the VSI?
 ➢ how well did the systems or procedures governing the use and administration of financial resources serve the process?

Figure 4.6 provides a summary of the ratings on each of these, by sector:

FIGURE 4.5

Resources

56 - 64 responses
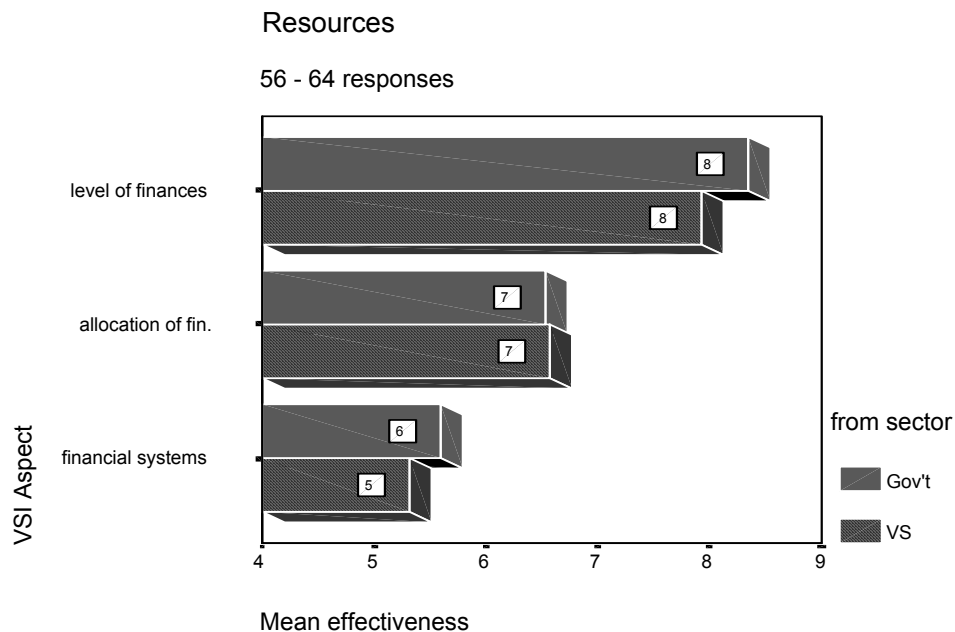
These ratings reveal three important points about the financial resources of the VSI. First, the overall amount of resources available to the VSI was rated very highly by both government and voluntary sector representatives. Few participants felt that the amount of resources the VSI had to work with was inadequate, and some even indicated it was too much. The general sense of comfort with the overall VSI budget is reinforced by the fact that in all of the VSI communications, such as VSI Updates, and as well as internal communications from the JCC and others, the emphasis was on activities, workplans, and planned outcomes. Finances were not mentioned as a concern, suggesting they were not an issue.

Second, concerns were expressed about the distribution of funding. These included a sense that too much money went to SIDPD, that the allocations among the Joint Tables did not reflect their responsibilities. In addition, a number of participants raised the issue of whether the allocations, going forward from 2003 are sufficient to accomplish the overall objectives of the VSI. Their point was that maintaining relationships requires ongoing investments – it is not simply a one-time project.

Third, the most serious problem – and it was seen to be a significant problem by both the government and sector participants – lay with the systems for how resources were administered. A frequent comment was that the systems for financial administration were inflexible, impeding the work of the VSI and frustrating both staff and Joint Table members (N = 10). Almost as frequent were concerns about the seemingly complex nature of the systems (9), with several respondents pointing out a lack of understanding among voluntary sector participants with regard to government financial procedures. In addition, a lack of accountability or transparency in the financial administration system as was noted to be a significant flaw (3).

Although there were challenges in aligning budgets with work plans, as discusses in Chapter 7, it is important to note that the main shortcomings of the VSI process were not a result of the amount of available financial resources.

Staff Resources

Staff resources for the VSI were structured so as to support both its joint and its decentralized nature. One of the distinguishing and innovative features of the VSI as collaboration was that a separate secretariat was created to assist the participation of the voluntary sector in the process. The VSIS worked alongside the VSTF, although the mandate of each secretariat was somewhat different. The two secretariats jointly provided support to the JAT and JCC, and the VSIS worked jointly with HRDC to support the work of the CJT.[38] For the other Joint Tables, secretariat support was housed in the responsible line department. The VSTF and VSIS also sent observers to most of these Tables to ensure some connection with them. In addition, both provided staff support to their respective governance mechanism – the VSTF supporting the ADM Committee and RGM and the VSIS providing support to the VSR and VSSG.

In general, the VSI staff resources, in terms of both the level and caliber of staff, were seen by participants to be adequate to very good indeed. They were rated, on average, as almost 7 out of 10 by both government and voluntary sector participants. In spite of these overall ratings, there

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[38] When the VSI was first created, it had been assumed by the voluntary sector that the VSTF and VSIS would staff all seven tables; it was later determined by the VSTF that it would focus only on the JCC and the JAT.

was a sense that staff were not always well allocated among the various components of the VSI, with some table secretariats under staffed and others staffed to "overkill." In some instances, staff were hired at a level that was too junior to meet the needs of the Joint Tables. By far the overwhelming concern, however, was the deleterious effect of staff turnover, particularly toward the end of the VSI cycle.

The Voluntary Sector Task Force

The VSTF was to coordinate and support the government's VSI activities and its relationship with the voluntary sector in the process. A major challenge for the VSTF was the continuity of staff, a challenge created by it status as a temporary task force. Concerns over staff turnover in the VSTF were mentioned spontaneously by all of the senior staff associated with the VSI, not only at the VSTF, but at the VSIS and many of the other secretariats as well. Although, there was also some turnover at the VSIS, particularly at the end as the process was winding down, the problem was much more serious at the VSTF, and was evident much earlier.

Although the rate of turnover at VSTF may have been no higher than it is in most government departments at the present time, the temporary nature of the task force ensured that the length of staff appointments would necessarily be short term. As a time limited task force, the VSTF could only use temporary measures for hiring, such as secondments, term appointments and development programs. This meant that people necessarily came in for relatively short, fixed terms – seldom for more than a year.[39]

The continual changes of staff at Joint Table meetings confused table members and provided little incentive to make effective use of these staff resources, and the changing personnel meant that relationships with VSIS staff had to be constantly re-established. As one respondent put it, "we no sooner got to know them and established some decent working relationships and they were replaced."[40]

In the wind-down phase, both Secretariats tried to extend their operations in response to the need for continuity as work was still being completed, and they thus trimmed the size of their staff, meaning that the remaining staff covered off more responsibilities.

The Voluntary Sector Initiative Secretariat

The VSIS was created to serve two broad purposes: to support the voluntary sector's participation in the VSI and to communicate with and engage the sector. It assisted in recruitment and orientation of voluntary sector members of the Joint Tables and sector-only Working Groups; staffed the two Working Groups; was instrumental in creating and supporting the Aboriginal and Visible Minority Reference Groups; outlined conflict of interest guidelines for contracting with voluntary sector organizations; conducted the engagement strategy, operated a speakers bureau and developed communications materials to keep the sector informed; and supported the sector's governance body, the VSSG. The VSIS had a smaller budget than the VSTF and fewer staff, but nevertheless managed to stretch the budget effectively to cover a wide span of activity.

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[39] The limited term of appointments at the VSTF was clear in the Staff announcements, see VSI files.
[40] See also VSIS, "Final Report," Prepared for the VSI, 2003.

It reported to and supported the work of the VSSG which served more or less as its board of directors and was funded from the VSI budget through a contribution agreement between Canadian Heritage and a host voluntary organization, the Coalition of National Voluntary Organizations (NVO).[41]

The Table Secretariats

The operation, culture and effectiveness of the secretariats assigned to individual tables varied enormously. The secretariats were mainly government staff, although several hired a member from the voluntary sector as well.[42] A consistent theme noted by Joint Table participants is that an adequate, competent staff with the right mix of skills was an important factor in the success of their work.

Where problems arose with the Table Secretariats it was mainly because either staff were not hired soon enough or in adequate numbers, or they were too junior. Members of several tables suggested that the type of staff hired did not complement the working style of the Joint Tables. In particular, when it tried to work as a policy board of directors, the Table would have benefited from having the equivalent of an executive director among the staff. Few departments hired staff at this level for the Joint Tables.

The clarity of the relationship of the secretariat to the Joint Table also affected working relationships. In most cases, these relationships were complicated by the decentralized nature of the VSI. Because departments held the funding, they technically were responsible for staff (other than the VSTF and VSIS); staff were not employees of the Joint Tables *per se*. The most effective situations appear to be those in which the secretariat was seen to work for the Joint Table, rather than for the department or to feel quite independent. This worked particularly well in the case of the JRT. While most of the staff were public servants housed at CCRA, the table members had a strong sense that the secretariat worked for them and were highly complementary of the competence and consciousness of the staff, particularly given the technical nature of the material and the amount of documentation produced for the table.

Finally, it was noted repeatedly in interviews that there was relatively little connection among the secretariats of the various tables and little opportunity for them to learn from each other. Thus, the "potential synergy among them was not captured." The VSIS and later VSTF hosted joint meetings of the secretariats, which staff reported they found very useful. Because they were extremely busy with the work of their own Tables, however, they could not devote much attention to the bigger picture. As the Joint Tables and other mechanisms were set up to be relatively autonomous, some were quite explicit that they did not want to be over-processed by the centre.

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[41] Recruitment for staff to the VSIS was by an open call for applications, with personnel hired on term contracts. These were necessarily limited in duration to the life of the secretariat.

[42] For instance, the CJT made a decision at the beginning to have someone from the voluntary sector as part of the staff team (working on an Interchange agreement) and later added a second sector person. The JAT and JRT also added a sector member each. The others all had government only personnel with staff from VSIS acting in a liaison role.

Alternatives

Would the process have been better served by having only one secretariat serving all of the tables? The minority view is that, from the perspective of efficiency, a single secretariat may have reduced some of the demands related to communication and coordination. There are a number of logistical issues that would have had to be sorted out in this scenario, however, and, even those respondents who strongly supported this approach had no recommendations on how a combined secretariat might operate. The majority view is that a separate sector secretariat helped "keep the voluntary sector in the VSI" and enabled it to participate fully. A middle ground could have been to have one government-side and one voluntary sector-side secretariat that were co-located, with the Joint Table members serving as a series of joint steering groups.

Who Represents the Voluntary Sector and the Government of Canada?

Models of Representation

In an initiative intended to bring together the voluntary sector, as a sector, and the Government of Canada, as a whole, who represents and speaks for each? This is necessarily more complex for the voluntary sector than for government.

Direct representation and engagement of the breadth of the voluntary sector could be achieved in two different ways. The first would be to focus on organizations as representative bodies. In this model, the direct participants would be national or regional umbrella organizations which represent broader memberships and constituencies, and which would be relied upon to use their networks to engage and be accountable to the broader diversity of the sector.[43] An alternative model would be to focus on individuals by bringing a group of people into the process who collectively represent a broad, diagonal cross-section of the voluntary sector. It is not clear that one approach is better than the other, as this depends on what is to be achieved. They cannot be expected to achieve the same thing, however.

The VSI explicitly chose the latter model. It is compatible with how many federal departments organize consultations and addressed concerns raised by ministers in *Working Together* regarding the breadth of representation. The underlying assumption was that "the agreements and undertakings flowing from the process will be more solidly based on, and reflective of, sector perspectives and values if many sector members are involved."[44]

Ensuring that a diagonal slice of the sector participated was the responsibility of the voluntary sector. An independent selection committee, comprised of four individuals, was charged with ensuring an open and inclusive nomination process and the selection of individuals from a very broad cross-section of the voluntary sector to serve on the various Joint Tables and as co-chairs. A list of selection criteria were developed as well as categories of representation to ensure that,

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[43] This was the approach used in the UK jurisdictions to develop the Compacts. In England, for instance, a Working Group comprised of the leading national umbrella organizations worked collectively, and designated the National Council of Voluntary Organizations as the lead to develop the Compact.

[44] Universalia, "Guidelines for the Independent Selection Committee," 2000, p. 1.

overall, the process would include people from all parts of the country, from large and small organizations, from rural and urban areas, and from many fields.[45]

On the government side, the expressed goal was to involve a broad range of departments and regions, although the criteria for representation were less explicit. The selection process was done in house with nominations for Table members made by departments to the ADM Steering Committee. The intention was that government participants would be mainly at the ADM level, particularly for the JAT and the JCC where this was a stated criterion. Public servants were expected to wear three hats simultaneously at the Joint Tables: as individuals participating in deliberations with colleagues in a spirit of mutual respect, openness and consensus building; as representatives of their departments since they had dual accountabilities to their Joint Tables and to their government managers, and as representatives of the federal government as a whole, leaving departmental agendas aside.[46] The stated expectation was that they would attend meetings regularly and actively participate and that a 'no substitution' rule would be in effect.

Actual Representation

To what extent did the process achieve its desired goal of a broad cross-section of representation?

A remarkable aspect of this process was the level of interest within the sector. The call for nominations received an enormous response, with more than 1000 applications received. In applying, people could indicate their interest in particular topics that roughly corresponded to the mandates of each of the Joint Tables. The list included advocacy and funding as potential areas, even though these were not to be the subject of joint deliberations. The importance of these topics to the sector was indicated by the strong response of people wishing to participate in the mechanisms which addressed them. As a result, its was decided by the sector leaders to form two sector-only Working Groups to address advocacy and financing.

The voluntary sector achieved a reasonable degree of representation on the Joint Tables and the Working Groups, although it had some significant gaps. The selected list of 65 did cover all regions of the country (with the exception of Nunavut) and included individuals from both large, national organizations, and small to medium-sized local ones.[47] The initial list included representatives of 24 national organizations, 36 females and 27 males (with 2 vacancies). The obvious gaps were from the Aboriginal and ethnocultural communities, as there was only one participant from each. While women were selected, no women's *groups* were represented, nor were poverty groups, nor lesbian and gay groups. In addition, there were also relatively few volunteers (although staff in voluntary organizations are often volunteers as well) and few very representatives from small community based organizations selected.

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[45] The criteria were that participants: be a senior level person (a current or past Executive Director or Board Chair or have at least 15 years experience in the sector); have a good awareness and understanding of the issues and perspectives of the voluntary sector overall; be willing to make the requisite commitment of time; and be familiar with the background leading up to the VSI.

[46] VSTF, "Roles and Responsibilities of Government Representatives Participating in the Voluntary Sector Initiative (VSI) Joint Tables," VSI files no. 83.

[47] One member from a small grassroots organization in a more remote region, did not come to any of the meetings and was eventually replaced. This points not only to the burden of travel time, but to the difficulty that a number of individuals from community-based organizations had in participating at the national level.

The perception on the part of participants (N = 59) is that the breadth of participation, as reflected by membership on the Joint Tables was quite good (rated 6.7 by government and 6.9 by the sector). Although a minority view, a small number of participants (from both government and the sector) felt quite strongly that representation of the sector did not adequately include representation from small grassroots groups. People from small organizations who had not been involved in the earlier *Working Together* process were the most likely to express the concern that the process was controlled on the sector side by an "in crowd," mainly Executive Directors from the large national charities.

Creation of Reference Groups

Early on, the VSSG and VSIS agreed that representation needed to be expanded to include better representation of individuals from Aboriginal and from visible minority communities.[48] In the spring of 2001, VSIS invited a broad cross-section of members of each of these communities to come together to discuss how to fill this gap. Both of them chose to create reference groups and to invite as many others as possible to join or affiliate with their group.[49] This resulted in a membership of nineteen on the Aboriginal and eighteen on the Visible Minority Reference Group. The intent was to try to ensure that the perspectives of these communities were brought into the mainstream of the VSI.[50]

While it was seen to be a victory to have been formally recognized by the VSI and while they were able to give some voice to these communities, the Reference Groups faced some serious challenges. They had very little money, as their funding had to come from the existing VSIS budget, and little time to do much of substance because they came late to the process. Although they worked closely with the VSIS, members of the Reference Groups tended to feel that their involvement in the broader VSI was marginal. The Joint Tables and other components did not seek out connections with them, and when Reference Group members tried to join the Tables, they were permitted observer status only.

An underlying challenge for the Reference Groups was that they were created to fill a gap that such groups alone can seldom do. The usual role of a reference group is to bring together key stakeholders with an interest in a policy issue that, as a group, will work alongside the process and provide input and advice throughout it. The experience of the VSI was somewhat different. The Reference Groups were established primarily to address the under-representation of certain communities in the mix of sector participants in the process. In this sense, they shouldered a much broader responsibility than the normal reference group. Consultations, funded from resources from the JAT, also took place with the broader Aboriginal and visible minority communities, but the sense particularly with the latter was that the host organizations for these events did not communicate well enough to make these consultations broadly inclusive.

In general, the members felt that the creation of the Reference Groups raised expectations in their communities but they had nothing concrete that they could realistically deliver. It seems apparent that there might have more effective involvement of the Reference Groups, although the fact that there was no initial funding for them and they came late to the process made this challenging.

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[48] Voluntary Sector Roundtable, "Minutes of the Meeting of September 17, 2000."
[49] Selection of members in the Reference Groups was thus quite informal based on self-selection or invitations to people known to VSSG members, VSIS staff and members of each of these communities who had been initially consulted by VSIS.
[50] In addition, research and consultations were held on the topics of small organizations and gender perspectives.

And, the other means for involvement of these communities was not as well developed as they might have been. As noted in the interviews, several things might have been done differently.

> ➢ The Reference Groups could have been established sooner and been given more adequate resources and clearer mandates;
> ➢ Responsibility for promoting full participation by Aboriginal and visible minority communities could have been seen to be a joint responsibility of government and the voluntary sector, rather than being left to the sector alone.
> ➢ There could have been greater communication between the Reference Groups and the other parts of the process, including better means to channel their concerns within the VSI so that they could more fully engage in dialogue.

One positive consequence of its involvement is that the Aboriginal Reference Group has moved toward the creation of an ongoing body, the National Aboriginal Voluntary Organization, which is currently in formative stages and which may result in more a sustained voice being given to the Aboriginal voluntary sector.

Participation from Quebec

There were initially 10 voluntary sector participants from Quebec. Over the course of the VSI, several of these members resigned so that Quebec representation shrank significantly, a concern that was registered by the Chair of the RGM. Once the VSI was well underway, it was difficult to rectify this situation as representation was laid down at the beginning of the process. Quebec involvement was not aided by the perception that the VSI process was based on an "English Canadian model:" the language used in documents often did not resonate well in Quebec; many of the Quebec participants felt quite isolated; the working language was English; and the consultation processes did not make effective use of the provincial networks in Quebec.

Moreover, at the same time negotiations with the provincial government were ongoing with the hopes of developing a policy of recognition and support for the community sector which would serve the same purpose as the Accord. Many organizations in Quebec felt their time was better invested in these negotiations and hence the VSI was not able to draw in or engage key players from Quebec.

Government Representation

On the government side, representation was never discussed as an important issue as it was for the voluntary sector, perhaps because departments and regions could be represented through vertical hierarchies. The VSI did involve a large number of federal departments, 23 in total, on the Joint Tables. Where it was weak was in regional representation as there was only one government participant outside of the National Capital Region. As one senior public servant described the process, it was "Ottawa-centric." In addition, Directors General were the principal participants in the Joint Tables (except on the JCC and JAT) rather than the ADMs as planned.

Although groundwork for representation was laid at the beginning of the process, there was a considerable turnover of participants, especially on the government side, during the process, as will be discussed in the next chapter. Insuring representation became problematic when someone quit along the way because there were no systematic measures to ensure ongoing representation, particularly for government. Once a public servant quit, it was the responsibility of the government co-chair of the table to find a replacement, creating the possibility that the selection was a better reflection of the preferences of the chair, than of government as a corporate entity.

This was less problematic for the voluntary sector because it had a bank of 1000 names (those who had originally been nominated) to which they could turn for replacements.

Continuity with Working Together

Another dimension of representation is continuity of membership from those who had been involved in the *Working Together* joint tables. Only 13 members (about 12 percent) of the VSI Joint Tables had served before (7 from the voluntary sector and 6 from government). The large number of newcomers had a dual effect. On the one hand, it brought in people with fresh ideas and high levels of enthusiasm. On the other hand, it meant that the shared understanding of the mandate – of which issues were on hold and which were on the table – was diluted. Many did not feel bound by the recommendations of *Working Together* as the starting point for the work of their VSI Joint Tables, so they spent time redefining and reworking mandates and options. The result was a certain loss of time as some basic groundwork was covered again.

Tradeoffs in Representation

Under the best scenario, it would have been difficult to achieve a fully representative cross-section of the voluntary sector in the VSI that would have pleased everyone. While the process did not reach out, at least initially, to the Aboriginal and visible minority communities and did not maintain strong participation from Quebec, it did include a considerable diversity of participants from different parts of the voluntary sector. It has to be recognized that the very nature of the approach brings with it some important tradeoffs, however. These tradeoffs are between representation, on one hand, and leadership and capacity for participation, on the other hand.

The advantage of the "diagonal slice" approach (participation of individuals who represent different regions, parts of the sector, and large and small organizations and so forth) is that by involving a wide range of people, its diversity is visible. In this sense, it does not appear to be elitist, as dealing with a smaller set of larger organizations might appear to be, and thus is the less politically risky approach.

The downside to this approach stems mainly from the fact that representation is lodged with the individual, not an organization. Theoretically, an ideal candidate would be someone who could cover off several 'categories'– for instance, region, language, gender, and (dis)ability. While this may look good on paper, there may be little connection between these personal attributes and the individual's ability to actually articulate the interests and connect with any of these constituencies. There may also be no expectation or capacity for accountability back to these constituencies. "What is surely most important is not so much who the representatives are as how they are elected and how they are accountable to, and informed by, their local communities."[51] This is the advantage of organizations.

The second issue is that the diagonal slice approach does not necessarily bring people to the table with the requisite leadership and policy skills. As some participants noted, the direct diversity approach may be "sell suited if participants were to be a sounding board, but not if they were to lead the process." In several Joint Tables, it was often indicated that the representatives of small organizations with no previous experience in policy development or in working with the federal government, were often out of their depth and could not contribute effectively.

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[51] Marilyn Taylor, *Public Policy in the Community*. Basingstoke, UK: Palgrave, 2003, p. 186.

Structural Design

How effective was the overall structural design of the VSI in enabling the process to work effectively? Undoubtedly, the best assessment of this can be made by the participants themselves. In this section, the focus is on an overall assessment of the structures.

How the Structure was Seen

Participants gave the overall structural design of the VSI mean ratings of 6.3 (by government) and 6.6 out of 10 (by voluntary sector participants). The more qualitative comments suggest that these ratings blur together quite differing views on the joint mechanisms versus the structure as a whole.

FIGURE 4.6

Structure

59 responses
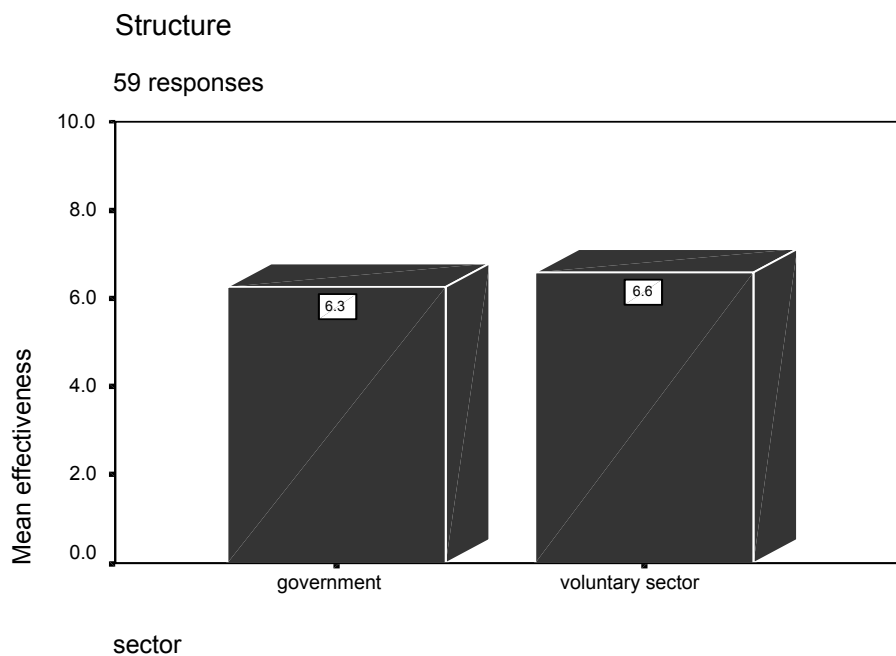
For the most part, both government and voluntary sector participants liked the idea of Joint Tables. It was noted repeatedly that the Joint Tables facilitated frank and open discussion and helped to build mutual understanding.

When participants looked to the design of the VSI as a whole, however, their comments expressed frustration at the complexity. In roughly equal measure from government and voluntary sector participants, it was noted that the structural design was: "laborious and cumbersome;" "too complex, too much machinery;" "it was bureaucracy run amok, and we succeeded in spite of it." The "Bubble Chart" (see Figure 3.1) was a particular icon for this complexity and was mentioned by at least six participants as illustrative of the cumbersome machinery involved. As one respondent noted, "I knew that we were in trouble when I saw the bubble chart."

The complexity of the VSI stemmed largely from its decentralization. Simply put, more structure means more process. Because the Joint Tables were "owned" by departments, neither the JCC

nor any other central body could drive the process; they could only monitor it. This produced a general sense that a great deal of time had to be spent in process – in coordinating, communicating, managing the information flow, and so forth.

Many of the participants indicated that they would have structured the VSI differently to make it simpler. Few, however, had concrete ideas about an alternative structure. One possibility would have been to stick with the original design which would have had a joint steering committee to which various task forces reported, but fewer joint tables. Had the Joint Table co-chairs sat on the JCC, there might have been stronger connections built-in between the centre and the parts. There is no apparent easy fix, however.

Conclusion

The structural parameters of an initiative largely determine the degree to which it will meet the principles of clarity and realism of purpose and the establishment of robust arrangements. This analysis suggests that the VSI satisfied these requirements in a mixed way. In terms of purpose, the broad mandate made it appear diffuse and open to some interpretation by different sets of participants. While the arrangements were robust in terms of being adequately supported financially and with staff; their complexity created the need for more process, often taxing the secretariat support and creating a sense that there was too much bureaucracy.

Chapter 5 – The Vertical Dimension: Managing Collaboration between Government and the Voluntary Sector

> "Machinery rarely solves problems. The softer factors are more important.'
>
> CCMD, *Moving from the Heroic to the Everyday*, 2002, p. 25.

Introduction

As both a collaboration and a decentralized initiative within government, the VSI involved processes related to working jointly *between* the voluntary sector and the government, managing horizontally *across* the different components of the initiative, and engaging stakeholders *beyond* the immediate participants. Providing leadership, governance and accountability for the initiative as a whole threw into sharp relief some of the challenges of meshing the relatively flat, horizontal structures of the voluntary sector with the vertical lines of authority within the government. In this chapter, the operational aspects of the collaborative elements of the VSI, which focused on the Joint Tables and the other joint mechanisms, are examined. These include:

➢ Understanding and working across cultural differences and power relations;
➢ Getting people to participate and remain committed to the process; and
➢ Adopting appropriate collegial working styles to get the job done.

Working Across Cultural Differences and Power Inequities

> "There can be great benefits in working together. While benefits accrue from a joint initiative it must be done with the understanding of the existing power imbalance. So the voluntary sector is not an equal player but it doesn't mean we can't partner together, but we do need to have realistic expectations about this."
>
> Voluntary Sector Co-Chair, VSI Joint Table

Cultural Differences

Cultural differences between the partners in a collaboration are common barriers to be overcome, particularly when the partners are as different as the federal government and the voluntary sector. By their nature, governments are risk averse and bound by legislation. Reporting lines are highly structured and hierarchical, procedures closely regulated and conventions widely accepted. When government puts up the funding and thus assumes accountability for it, a power imbalance may results.[52] While the voluntary sector also faces its own accountabilities, for both finances and policy results, the established norms and procedures for exercising this are different from government, and often vary across the sector.

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[52] Marilyn Taylor, "Partnership between Government and Voluntary Organisations," *Foundations*, December 1997. Available at http://www.jrf.org.uk; Ekos Research, *Lessons Learned on Partnerships*, 1998.

Neither cultural differences nor power imbalances need to hamper the work of partnership, however.[53] In the case of the VSI, both were frustrating at times, but did not threaten the process.

Through dialogue and interaction, it became quickly apparent that the actual people involved were not so different. The voluntary sector discovered that many of the public servants are also volunteers. The public servants learned that many of the voluntary sector representatives run large organizations and hold the equivalent levels of responsibilities as they do. In many respects, the voluntary sector representatives who run large organizations shared more in common with their federal counterparts than with the sector representatives from small organizations. Any cultural differences at the individual level were thus fairly easily bridged.

More significant differences remained at a higher, systemic level. One frustration noted by government officials was that the voluntary sector does not speak with one voice. It is probably not realistic to expect, however, that this sector, comprising some 175,000 organizations, would have a consensus view on every issue, particularly when diversity is explicitly built into the model of representation. The VSSG which assumed the collective leadership role for the sector is widely regarded by both voluntary sector and government participants to have been effective in presenting a fairly unified position on major issues.

It also became apparent that, while government could more readily come to a single official position, that there are considerable differences within it as well. In particular, several voluntary sector participants commented that the most important thing that they learned was the power of the Department of Finance and its protective stance on its Minister's sole authority to make or recommend changes to the *Income Tax Act*. This also made it more difficult for Finance officials than for other public servants to participate as individuals, rather than as representatives of their Minister, and created a perception in some tables that the Department was preemptive of certain discussions. Could some of these tensions have been eased from the beginning? Since the role of Finance is not likely to change, a preliminary discussion with members of Joint Tables (notably the JRT and JAT, as well as the JCC) dealing with issues that potentially impinge on the *Income Tax Act* might have brought greater initial understanding to the process.

Cultural differences often extend between questions of style to affecting concrete operational issues. A good example of how culture was manifest in actual procedural differences in the VSI was in the different approaches and guidelines on travel and accommodation. In the early weeks of the Initiative there were strong suggestions from across the voluntary sector that they would be watching carefully to ensure that sector representatives on the Joint Tables operated in a way consistent with sector norms and values, in order to maximize the benefit from the VSI as a whole. One area specifically identified was that of spending. There was a perception that voluntary sector values called for a more frugal approach to spending than government guidelines, and that spending guidelines should be developed for all participants. The VSIS developed proposed guidelines that set out recommended travel procedures including, for example, minimal hospitality allowances and adjusted travel schedules to take advantage of discount airfares. Government participants necessarily had to follow the existing government guidelines. Having the members of any given Joint Table operate according to two sets of

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[53] Caledon Institute for Social Policy, *Perspectives on Partnership*. Ottawa: Caldeon, 1998. Ekos Research. *Lessons Learned on Partnerships*. 1998.

procedures would greatly complicate logistics. In the end, all participants on most of the Joint Tables operated according to Government of Canada travel and spending guidelines, although the sector-only components – the VSSG and VSIS – conducted their business according to commonly used sector approaches.

Not all differences were cultural in nature, dividing government from the voluntary sector. One underlying fissure was between participants from the National Capital Region and those from the rest of the country. While participation from government was Ottawa-based, the voluntary sector representatives came, by design, from across the country. Because most of the Joint Table meetings were held in Ottawa, the onus of travel time (outside of the consultation process) fell on a subset of the voluntary sector participants. Several of the Joint Tables, including NVI, CJT, Awareness and JRT, held their meetings in various locales to spread the travel burden and to meet occasionally with local voluntary organizations, and many participants found this beneficial. Given that many senior public servants already had problems in attending regularly, extensive travel to meetings would probably have reduced their attendance further. The location and mechanics of meetings is not just about efficiency, however, but is symbolic as well, and this needs to be considered at the early stages of operational design.

Power Imbalances

The cultural issues seemed to be dealt with more readily than those of power relations which were inherently systemic and related mainly to financial administration and accountability.

Because public money was involved, the federal government was naturally required to exercise appropriate controls and accountability over its use. Many of the practices and requirements of financial management which were second nature to public servants appeared unduly restrictive to voluntary sector participants who were unfamiliar with them. Understanding and working with government rules was greatly complicated by the fact that so many departments were involved, often with differing arrangements, making them appear "opaque and complex, particularly to those outside government."[54] Early in the process, VSIS proposed that a half day, cross table information session be held to explain governmental procedures, but it was decided instead that each Joint Table would ensure the explanation of procedures in that particular department. Such education around financial management and related procedures appears to have been uneven at best.

The other areas in which the impact of standard government procedures were felt was in the process of getting government approval for major decisions and in the traditions of confidentiality. Although it may be generally understood that decision making and implementation takes longer in government than in the voluntary sector, it was brought home often during the course of the VSI.[55] While there was some innovation in the cabinet approval process, notably that the co-chair of the JCC has invited to brief Ministers about the MC in November 2001, the PCO tended to work under traditional norms of government confidentiality. This created a challenge for many public servants as they were uncertain about what could and what could not be shared in the context of discussions at the Joint Tables.

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[54] VSIS, "Final Report," 2003, p. 9.
[55] VSIS, "Final Report," 2003, p. 9.

The crisis that played out at the JRT was directly related to adherence to conventions of secrecy regarding the contents of an MC. The experience of the NVI also illustrates some of the challenges that stem from the requirements of governmental confidentiality of information even in the context of a collaborative process. The recommendations of the NVI were to be used in writing the MC for the Canada Volunteerism Initiative in the fall of 2001. When it came to writing the MC, the process naturally became highly confidential and its contents could not be shared even with the members of the Joint Table. Consequently, most of the Joint Table members saw the final draft of their report at the same time that it was released to the public.

The seemingly easy solution to the problems created by standard operating procedures and government rules regarding financial administration and ministerial approval is to say: "just bend the rules." This is an unlikely solution, however. Government standards of accountability are going to continue to require conformity to certain standardized procedures. Much greater understanding of the rules and constraints, of where there might be flexibility and where there was none, could have been achieved through better communication up front. A half day session for Joint Table members early in the process might have eased some of the confusion and frustration later on when they bumped up against standard procedures. In some areas, however, such as conventions of confidentiality there may have been greater flexibility. A review of where greater flexibility might be provided in collaborative initiatives would be useful, but the voluntary sector has to expect that the changes will be quite minimal.

Participation and Commitment

Although the VSI was targeted at the voluntary sector and the Government of Canada as whole entities, the actual process of relationship building was done by people, not sectors. The strength of personal commitment to making the VSI process work on the part of the public servants and voluntary sector representatives who sat on the Joint Tables is a key factor in the success of the VSI.

The importance of this factor to the success of the collaboration merits further analysis of four aspects of participation:

> ➢ Motivations
> ➢ Time commitment
> ➢ Role clarity and conflict
> ➢ Continuity of participation

Motivations: Why People Participated

Understanding why people get involved in an initiative that requires significant time on top of their full time positions is useful for creating the right incentives in future horizontal initiatives.

Public servants came to participate in the Joint Tables and other mechanisms through quite different routes than those from the voluntary sector. Most public servants were asked by their supervisors to participate as the work was closely related to the departmental mandate. Representatives of the voluntary sector were nominated (or self-nominated) and then selected by an independent committee that was charged with creating a broadly representative, diagonal slice of the sector.

In comparing the reasons that participants gave for why they chose to get involved in the VSI, therefore, it is not surprising that voluntary sector representatives listed personal interest, while public servants said it was part of their jobs or they were asked. What is interesting, however, is that most public servants did not see their participation in the VSI just as their job. Rather, many indicated that they asked their superiors that they be able to participate given their personal interest or past experience with the sector. Similarly, many in the voluntary sector had been asked by others, albeit not necessarily their immediate supervisors, to be participants.

This pattern of motivations is good news for future collaborations, particularly for the public service, as it shows there is a willingness to engage in such activities that extends beyond mere professionalism.

FIGURE 5.1

Motivation for Participion in VSI

Government Sector
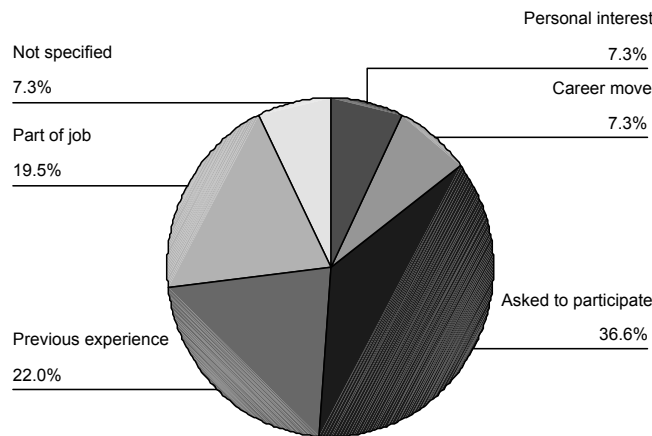
FIGURE 5.2

Motivation for Participion in VSI

Voluntary Sector
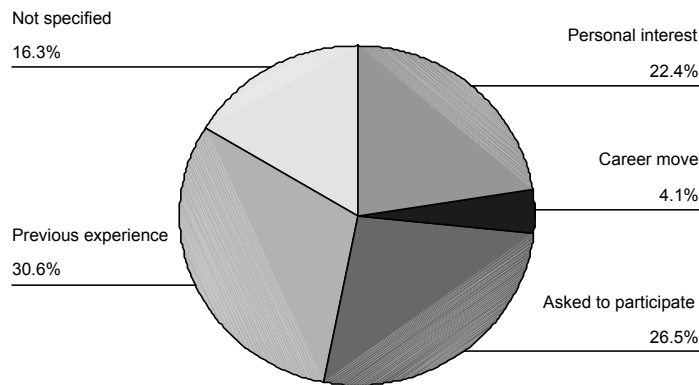
The Time Commitment

Sustained involvement in collaborations depends, in part, on the ability of participants to manage the time required, while still fulfilling the demands of their full-time positions. If participants feel that the process takes too much time, it is a sign that there are some significant inefficiencies in the process.

As part of the selection process, voluntary sector participants were given guidance as to how much time they should be expected to spend on the VSI: 2 days per month for 12 to 18 months as a member of a Joint Table; 4 days per month as a member of the JCC; and 3 days per month as a Joint Table Co-Chair.[56] Public servants may have received less consistent direction as they did not get written guidelines regarding time commitments, although most were briefed individually.

The amount of time that participants (excluding staff) said they spent on the VSI varied enormously from 5 to 160 hours (just over a half day to 20 days) per month. At the upper end of this scale, it became almost a full time job in itself. The amount of time required depended to a great extent on which Joint Table, group or mechanism people were involved with, and their roles in these. Naturally, more time was demanded of co-chairs who were also members of the VSSG or the ADM committees than of other participants.

It is not actual time spent so much the judgments of the appropriateness of that time that is the critical question, however. By far, most participants said that they spent more time on the VSI than they had expected they would. When asked whether the amount of time spent on the VSI was too little, just right or too much, just over half felt it was appropriate.[57] Very few considered they spent too little time on the VSI. It is important to note, however, that over 40 percent regarded the time spent to be too much.

FIGURE 5.3

Perception of Time Spent in

VSI Activities (41 responses)

too little
4.9%

too much
41.5%

just right
53.7%

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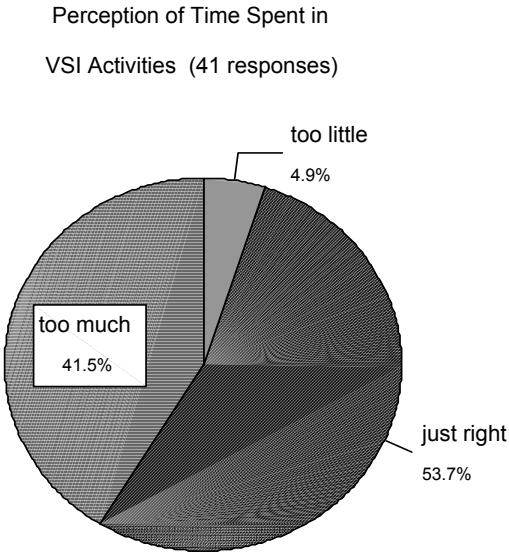
[56] Universalia, "Guidelines for the Independent Selection Committee," p. 6.
[57] There were no significant differences in mean ratings between the government and voluntary sector respondents.

There were two main reasons as to why the time demanded was seen to be too much for so many participants. The first was inherent in the nature of the work: there was a lot of paper to read in preparation for meetings and travel to attend meetings and consultations was very time consuming, particularly for those who lived outside of the National Capital Region. The other reason was that most were carrying this work in addition to their regular jobs and ran into role conflicts. Relatively few participants had specific views on how their time could have been used better, however. The improvement mentioned most often was to allow more lead time in which to read documents, as often the turnaround time was only a day or two.

Role Clarity and Conflict

The ability to be an effective participant is related to the nature of the roles and responsibilities that are undertaken. Were the roles that people were asked to play in the VSI clear to them at the beginning? To what extent did people encounter serious role conflicts with their regular positions, and what impact did participation have on their home department or organization?

It appears that the VSI did a good job of ensuring that most participants, particularly those on the Joint Tables, understood the nature of their roles. Indeed, 79 percent said that their role in the VSI had been clearly communicated to them, while 21 percent indicated that the role had been unclear. As discussed later, one problem of role clarity came for the ADMs on the Joint Tables, as the limits of their authorities were ambiguous and this presented challenges in getting governmental approval on the Accord and its associated Codes of Good Practice.

Roughly a third of participants indicated that they experienced some conflict between their involvement in the VSI and their home department or organization. For the majority (59 percent) of those who experienced a role conflict, it revolved around the amount of time the VSI demanded. Within the voluntary sector, there was a difference between those from larger organizations with a policy focus and those from small organizations. For the former, involvement in the VSI by senior staff was closely related to the mandate of the organization and thus easily justified. Even a number of these individuals mentioned, however, that their organizations suffered during the VSI because they had basically an absentee Executive Director or senior staff member for almost two years. For smaller organizations, the absence of the senior staff person was even harder as they did have the resources to backfill the position and no compensation was provided to them for the volunteered time of their staff.

This issue of the potential impact on participants from smaller voluntary organizations came to light early for the VSSG and, following its first meeting, it struck a committee of one to determine whether voluntary sector representatives or their organizations should be compensated for their time. A small survey of voluntary sector participants indicated that some Joint Table members were spending much more time than they had anticipated, but that views on compensation were almost equally divided. The recommendation was that no compensation be provided, based on the rationale that "[t]ransparency would have required that this matter be resolved before the Selection Committee did its work."[58] This recommendation was accepted by

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[58] See Memo by Bob Wyatt to the VSSG, January 15, 2001. At the time that the Selection Committee had issued its call for nominations, the material had indicated that some assistance might be provided to those who could otherwise not participate, but no actual amounts or offers had been made at the time, and people agreed to participate without compensation. To provide compensation part way through the process might give the appearance of "feather-bedding" by people who accepted appointments knowing what they were getting into, and would lead to charges that the process had not been transparent.

the VSSG and no compensation, other than the direct costs of travel, was ever paid to the participants in the VSI or their organizations.

For public servants, tensions were most often created when supervisors did not see how work on the VSI connected to that of the department and were not supportive, sometimes even antagonistic to the participant's involvement. Although a lack of supportiveness was very difficult for the public servants in these positions, the good news is that there were very few instances in which supervisors took this stance.

The other difficulty noted by many public servants is that is was not easy for them to separate out their roles – as individual, as representative of the department and Minister, and as representative of the Government of Canada. A number mentioned that they felt it was a naïve concept that they could speak freely and act as individuals, rather than as departmental representatives. The comment of one public servant sums up the dilemma that many felt. "It wasn't realistic: they wanted us to agree on everything. Their expectations were too high. In certain cases, it's possible for a public servant to have a personal opinion that differs from that of his Minister, but in a context like this one and the subject of the recommendations that we were making, we are accountable to our Ministers for any substantial changes that are being made." It is a tribute to the many government members of the Joint Tables who managed this challenge with such professionalism.

Continuity of Participation

The process of building trust and mutual understanding in a relationship is an iterative one, involving people meeting together over a period of time. Whether the same players are at the table throughout this process makes a difference.

In order to promote the idea that membership in the Joint Tables involved a person, not a position, a no substitute rule was implemented from the beginning. If the person assigned could not make a meeting, someone could not go in his or her place. This is regarded to have worked effectively and the commitment of both public servants and voluntary sector representatives is one of its strengths. Trying to ensure that participants stayed with the process for its duration was more challenging, however, as people changed jobs, were reassigned within their departments, or faced unexpected changes in personal circumstances.

How serious was turnover in the VSI? What impact did this have on the work of the Joint Tables? In Table 5.1, the numbers of changes in personnel from both governmental and the voluntary sector, as can best be determined, from the formation to the conclusion of the Joint Tables are presented.[59] These are compared with the perceptions of the participants as to the level of turnover, and its impact.[60]

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[59] These data are based on several sources, including minutes of Joint Table meetings, their final reports, ADM Executive Committee meetings and VSTF lists of Table membership. Not every change in membership was well documented, so these are best approximations.

[60] In interviews, participants were asked to describe the level of turnover on their tables; most did not give an exact number of personnel changes, but described it simply as high, moderate or low. The characterization in the right hand column of Table 5.1 is the most consistent descriptive view given by members of each Table. These figures may represent quite different numbers of actual turnovers, but the point is to show the *perception* of the level and its impact.

TABLE 5.1
Turnover of Joint Table Members

| Joint Table | Actual Turnovers | | | | Members' Perceptions |
| | Co-Chairs | | Table Members | | |
	Govt	Vol Sec	Govt	Vol Sec	
Accord	0	0	3	1	Low turnover Low impact
Capacity	1	0	2	0	Low turnover Low impact
Awareness	1	0	1	0	Low turnover Participation a concern
IM/IT	0	0	3	0	Low turnover Participation a concern
NVI	1*	1*	1	2	High turnover High impact
Regulatory	0	0	6	1	High turnover High impact
JCC	1	0	6	1	High turnover Moderate impact
Total	4	1	22	5	

* On the NVI Joint Table, there was no government co-chair at first; one was in place for the January 2001 meetings.
  The voluntary sector co-chair changed but the former co-chair remained on the table.

Over the twenty months in which the Joint Tables met actively, roughly a third of the total membership changed. This turnover was much higher on the government side which had a 50 percent turnover, compared to 10 percent for the voluntary sector. The *impact* of the change in Table membership is not always a simple reflection of the actual numbers, however, as demonstrated by the perceptions of Joint Table members. The change in a co-chair usually had a greater impact on the work of the Table than other members as a new person often brought a different style to the table. In some cases, a change was positive and welcome particularly when members who were not actively engaged in the process were replaced. When a Joint Table had a relatively short period in which to accomplish its work, as the NVI Table had, a change in membership was felt more dramatically because new members had little time to fit into the process.

Some Joint Tables found ways to mitigate the impact of turnover. Although members of the JRT indicated that the high turnover from some government departments had a negative impact (for instance, the representative from one department changed four times), the table coped by establishing the norm that the business of the table carried on: the JRT did not go back over decisions or discussions to bring new members along, rather it was the responsibility of the new people to get up to speed. The JCC was able to work around the high turnover of government members because a core group of very committed individuals, in roughly equal measure from government and the voluntary sector, attended regularly and carried the weight of the work.

On some Joint Tables, the issue was not stability of membership but consistency of participation. Public servants, particularly at more senior levels, often noted that they had great difficulty in making time to attend meetings, even when they were highly committed to the process. When people lost interest and stopped attending meetings, it was often because they felt that there was a lack of action

and movement on the part of a table, or when the table was staff dominated. Sometimes this was also due to the cycle of the work of the Joint Table. Some tables did a lot of intensive work for a period, and then wound down for a while. When a table went through a relatively slow phase, some people tended to get disconnected and it was hard to get them back on board thereafter.

While the Joint Tables did attempt to militate against the effects of membership turnover, the same cannot be said for the staff. And this is perhaps where it was most important. Staff resources and secretariats carry the institutional memory and they ensure the continuity of the work being done. Because there was such high turnover, particularly at the VSTF, the staff continuously had to catch up to speed.

The issues of attendance and continuity of participation of government members were raised by the co-chairs of the JCC with the Clerk of the Privy Council, but were never fully resolved.[61] The challenge relates to the high levels of mobility within the public service and demanding schedules for senior public servants which are often out of their control. When people change departments, responsibilities change. In addition, because most exercises in collaboration or horizontal management are seen to be 'add-ons' to regular work, they are often dropped when people are reassigned.

This suggests a tradeoff in collaboration: while it is desirable to engage senior level people from both sectors in order to give substance and political clout to the process, the higher the position of the participants, the more difficult it becomes to sustain participation over time. It also points to the need for senior management to create incentives and rewards as part of personal performance reviews that recognize the value of participation in collaborative and horizontal initiatives.

The Working Styles of Collaboration

The Joint Tables

The general consensus of participants is that as vehicles for dialogue the Joint Table model worked extremely well. The open and frank discussions promoted the development of trust and greater mutual understanding, as intended. This openness enabled the Tables to reach decisions by consensus, rather than invoking voting procedures or other decision rules. When tough points were reached, everyone talked through issues until common positions were reached.

Most of the Joint Tables and the Working and Reference Groups met about every six to eight weeks (some more frequently) and held between 11 and 19 days of meetings in total.

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[61] Joint Coordinating Committee, "Record of Discussion of Meeting of November 25, 2000". The VSSG tracked membership change on the part of the voluntary sector.

TABLE 5.2
Number of Joint Table Meetings

Joint Table or Group	No. of Days of Meetings
Joint Tables	
Joint Coordinating Committee	19
Accord	17
Awareness	12
Capacity	11
IM/IT	18
National Volunteerism Initiative	14*
Regulatory	19
Sector Working Groups	
Advocacy	9
Financing	18
Reference Groups	
Aboriginal	7**
Visible Minority	4

 * NVI Table concluded its work by November 2001
** The Reference Groups were not formed until the fall of 2001.
Accurate data were not available for the other components.

Several Joint Tables took time early on in the process to engage in relationship and team building exercises and these were reported to have contributed to a positive atmosphere of trust. Sometimes, these could be quite simple things such as having some social time at a dinner, or having a group photo taken; in other instances, these were more formal visioning or 'check-in' sessions. It was when the process of relationship building went on for an extended period without a clear sense of the endgame, however, that people became frustrated and tended to disengage.

Although the Joint Tables were effective in relationship building whether they were well-suited to the variety of tasks for which they were used is a different question. The nature of the tasks assigned to the Joint Tables varied greatly from policy work, such as developing an Accord, to more operational activities such as designing specific projects to enhance capacity and letting contracts to manage them. The working styles used by the Joint Tables for accomplishing their work also differed. Two of the Joint Tables (JAT and JCC) described their approach as being akin to a policy board in which the members gave directions to staff, reviewed their work and took action based on it. Three of the Joint Tables (AJT, IM/IT, and CJT) took a more operational approach in which members were very hands-on, dealing directly with details that a policy board might have assigned to staff. Both the CJT and the IM/IT Tables evolved sub-committee systems, on which opinions are divided as to their effectiveness. For the JRT and NVI Tables, the style was described as a combination of a policy and operational board, depending on the specific task at hand. Only the JRT formed an executive committee (comprised of the co-chairs and three experts in the area of regulation) which helped the Table members deal with the highly technical nature of the material by vetting agendas and documents before the meetings.

Was one style more effective than the others? Not necessarily, because the effectiveness of management style depends to a great deal on the quality of staff support and the clarity of the mandate in the first place. The Joint Tables that assumed a more operational management style

tended to have very broad mandates or mandates that were vague at the beginning. For two of these, the AJT and IM/IT Tables, secretariat support was extremely limited at the beginning or ill suited to the work of the table and staffing issues were not resolved until well into the life of the tables. Thus, an operational approach may have been by default. Both of these tables took considerable time at the front end before advancing their work significantly, to the extent that their slow progress was addressed by the JCC and the VSSG. What is evident is that secretariat support is vital to effective collaboration, and that such supports needs to be in place from the beginning and be capable of working for a policy board.

The other key factor was leadership from the co-chairs. Participants commented consistently on the value of having co-chairs with the right set of skills and of having complementary skills. Particularly on the government side, it was important to have co-chairs who were sufficiently senior in position because they needed to know how to move things through the policy system and built support in their own departments.   Where there were strong co-chairs who worked well together, the work of the tables tended to move along, no matter the working style of the table.

The final consideration is whether a joint mechanism involving senior public servants and executive directors from the voluntary sector is well-suited to operational tasks at all. Several people from the voluntary sector noted that their interest in participation in their Joint Table waned when they became heavily involved in operational matters – in writing Requests for Proposals (RFPs), designing program details and so on. This was seen to be a more appropriate role for staff. Many of the participants in the VSI felt that the process got bogged down in detail once it moved from the policy exploration work of the first set of joint tables to implementation.

Working Jointly at the Staff Level

The structure of the VSI required not only collaboration among the Joint Table members, but between the two main secretariats that supported the process. The existence of two primary secretariats seemed to have created some role confusion, particularly in their support of the JCC, but relatively little duplication of effort. The two Secretariats appear to have worked closely together at the senior level, among the Executive Directors, but less effectively at the working level where there were sometimes clashes over responsibilities and styles. This was exacerbated by the high turnover of staff at the VSTF, as discussed earlier.

At both the JAT and the JCC, certain difficulties around the dual support of the secretariats were noted. At the JAT, several members indicated that there was sometimes a clash of cultures between the two secretariats and at times they assumed such an active role in sessions that the Table was driven more by staff than by the members.[62]   Members of the JCC noted that it was not clear which secretariat was responsible for what, and that members were "kept in the weeds

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[62] It was noted that it may have been a mistake to have the VSTF serve as the secretariat to the JAT at all because it vested its interests and energies at pushing forward the Accord, probably to the expense of the liaison work that it should have been doing, and which was critically missing. The VSTF staff were acutely aware, however, of the tight time lines to be met in order to get the Accord in the pipeline for approval so moved the process along, even to the extent of having a consultant prepare a draft of the Accord before the table met for the first time.

with the wrong kind of information for too long." A number of the JCC members indicated that the JCC should have had its own dedicated secretariat.[63]

The interviews reveal that many of the voluntary sector staff felt that the VSIS was not regarded as a fully equal partner to the VSTF. This played out particularly over issues related to public communication of the work of the VSI. On the government side, the main frustration stemmed from the inherent nature of the voluntary sector. While the VSTF could quite confidently represent the central agency perspective of government, VSIS could not always automatically represent the views of the sector participants as their positions were sometimes not cohesive or self-evident. As a result, senior staff at the VSIS might forge an agreement with VSTF, but would need to rework the agreement the next day as the VSSG had taken an unanticipated position.

Conclusion

Development and maintenance of trust among participants and a sense of commitment, ownership and leadership by both partners are two key principles that the process of a collaborative initiative should satisfy. Dialogue is a good vehicle for bridging differences and developing trust, and the Joint Table model enabled constructive use of it. Individuals came away with more understanding or one another's culture and reality. While commitment to the process was evident on both sides, turnover of Joint Table members and of staff, particularly within government, was a serious challenge. It is important to recognize, however, that public servants and executives from voluntary sector organizations face different issues of participation. On the government side, there is less likely to be continuity of participation over time, due largely to high levels of mobility in the public service, and less frequent attendance due to lack of control over their schedules. For the voluntary sector, the main concern is likely to be one of capacity: many organizations cannot afford to have an Executive Director absent for long periods of time.

This suggests that the value of participation by public servants in collaborative or horizontal initiatives needs to be acknowledged and rewarded by senior management so there are incentives to participate in the first place, so that role conflict between participation in the collaboration and the department is reduced, and so that participation can be maintained over time. The time of executives from both sectors needs to be used wisely which includes giving consideration to the extent to which operational issues are the best use of their time at all. Finally, there is an important balance to be struck between process and product. Too much focus on the process without an endgame in sight slows the work and may cause participants to disengage.

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[63] As it was, the structure created potential complexities in the relationship between the Executive Director of VSTF and the Government Co-Chair of the JCC because the E/D reported not to the JCC Co-Chairs but to the boss of the Government co-chair. While we got no indication of actual problems in this relationship, it raises a structural issue of the reporting lines of staff that is worth noting for future collaborations.

Chapter 6 - Managing the Horizontal

> "The essence of horizontal management [is] the challenge of 'bringing diverse people together and lining up authorities in a complementary way to achieve a common purpose.'"
>
> CCMD, *Moving from the Heroic to the Everyday*, 2002, p. 2

The VSI was decentralized by design. The structure established relatively independent Joint Tables, mechanisms and working groups, each of which was affiliated with a department rather than being under the direct control of a common centre. A key rationale for this approach was to include participation by a broad range of federal departments. By its very nature, decentralization increases the need for information sharing, coordination and communication to ensure that the parts work together to achieve a common purpose, avoid duplication of effort and learn from each other as part of continuous improvement.

Coordination

Coordination among the Joint Tables, mechanisms and working groups was largely the responsibility of the JCC, assisted by the VSTF and the VSIS for the aspects pertaining to the government and the voluntary sector respectively. Additional coordination on governmental issues related to Policy, Communications and Operations were undertaken by interdepartmental working groups.

A variety of mechanisms were used for purposes of information sharing and creating a sense of shared collective effort. These included: production of work plans and progress-to-date reports to the JCC; updates on the activity of the tables and meetings of the secretariats convened by the VSIS and VSTF; an intranet; having a staff member from both the VSIS and VSTF sit *ex officio* on the Joint Tables; and hosting three All Tables meetings.

Indeed, a great deal of effort went into coordination and information sharing. This put high demands on the staff at both the VSTF and the VSIS. Given the number of Joint Tables and other components of the VSI, the VSTF was consumed largely with serving and managing the process – preparing minutes, agendas and documents and arranging meetings – and had little time nor staff assigned to managing or thinking about policy. Even in their role as joint secretariat to the JCC, it appears that there was little opportunity to assist the table with issues of policy, rather than process management.

From the participants' perspective, the perception was that the VSI did not succeed particularly well at coordinating the various Joint Tables and other components, nor the government departments involved. As indicated in Figure 6.1, both intra-VSI and cross-governmental coordination were rated as only about 5 out of 10.

FIGURE 6.1

VSI Coordination

46 - 60 responses
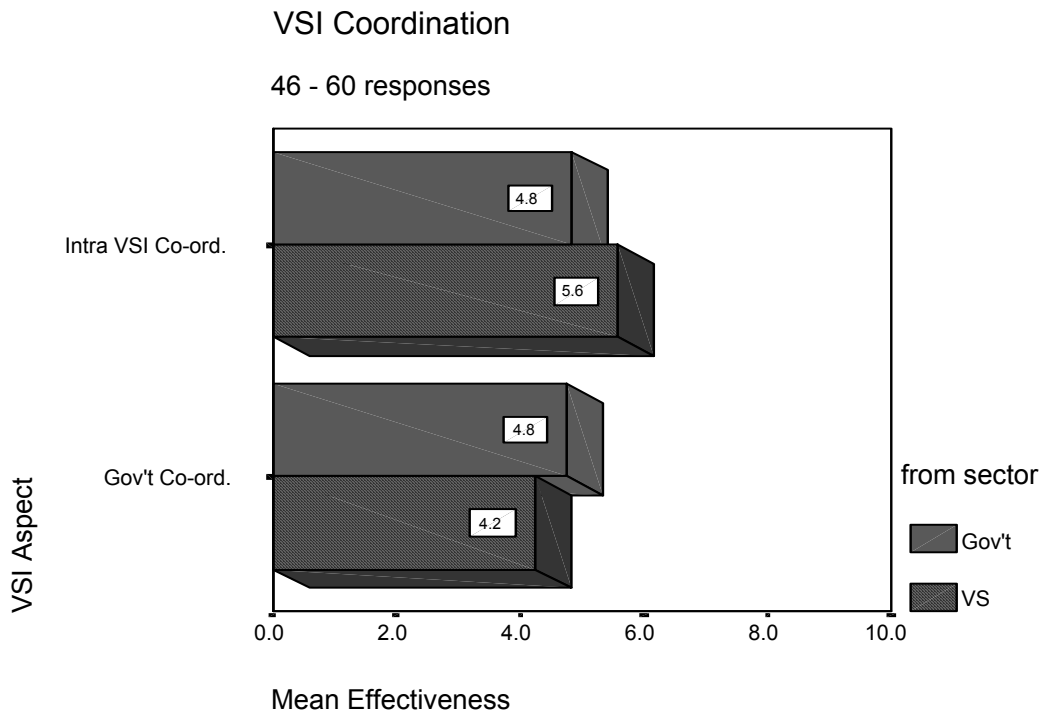
In spite of the opportunity to attend all Tables meetings at three times during the process, many members of the Joint Tables and Working Groups reported that they felt isolated from the other parts of the VSI, had little regular knowledge of what was going on elsewhere. This may in part have been due to the fact that they were sufficiently busy with their own work to pay much attention to the rest on an ongoing basis. More significantly, it related to the complexity of the structure and the difficulty in which the lines of authority and reporting requirements to any central body, notably the JCC, had never been articulated. A lesson for future horizontal initiatives is to ensure that a central body can play an effective coordinating role.

One consequence of the relative autonomy of the Joint Tables was that members developed a strong affinity to their table, rather than to their "side" be it the federal government or the voluntary sector. Any attempt to caucus only with other governmental or voluntary sector participants was seen as being vaguely disloyal to the Joint Table. The positive side of this is that, for the most part, it created strong working relationships within the Joint Tables. The flip side is that it made it quite difficult for the VSTF or the VSIS to connect government or voluntary sector members across the tables for purposes of sharing information or developing agendas.

The Joint Coordinating Committee

Perhaps the most serious problems of coordination were structural, built into the initial mandate and the design of the JCC. A number of design features in the JCC made it very difficult at first to exercise an effective role in coordinating, directing or overseeing the work of the Joint Tables and other mechanisms or groups. First, the mandate and role of the JCC was initially not clear, whether to provide mere coordination or assume strategic leadership. Its roles and responsibilities were specified in its foundational documents in a way that limited it to a light role of coordinating the consultation, research and public information activities and advising the federal government on the progress of the VSI.[64] The JCC was to receive reports from the Joint Tables, but whether the Joint Tables had a responsibility to report to or consult with the JCC on their work at any stage was not specified. Nor did its mandate indicate what authority the JCC had to command such reports or how directive it could be in demanding action on them. Consequently, it initially settled on a "soft coordinating" approach or as one participant noted, "just taking in information, rather than action."

Second, its ability to be more directive was hampered by its structure which had no overlap of membership with the Joint Tables.[65] When a similar problem had been encountered in the *Working Together* process, it was solved by having the co-chairs come together as an informal steering group, and this would have been the preference of the voluntary sector for the VSI. The double duty of the co-chairs was manageable in the earlier process because it was so short in duration, but it was deemed by government too onerous on the co-chairs in the much longer VSI process. Without direct structural ties to the Joint Tables, the JCC had to rely on the VSTF and VSIS for information from them.[66] While the secretariats provided updates from the Joint Tables, the amount of briefing material was often voluminous and there was seldom time to discuss it at meetings. In addition, the staff of both secretariats were already overtaxed, so could not do much more.[67] At times, the JCC found that it got lost in detail and, in the absence of a clear mandate and clear authority for who would do what among the staff, it lost time in being able to track things.

Early on, the JCC had decided that it would request that the Joint Tables provide work plans for review, by late January 2001. Due to complications that arose from the early departure of the government co-chair of the JCC, this request was not sent out until December 2000. By the time it was received, however, many of the Joint Tables had established their own directions and their own sense of autonomy and were thus not receptive to responding to the JCC's timelines.[68] Most of the work plans were not received until April 2001 (seven months after the Joint Tables had been established), and even then many of the components were quite vague.[69] This prompted the JCC to develop criteria for the evaluation of the work plans and to meet individually with co-chairs to

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[64] Universalia, "Guidelines for the Independent Selection Committee," Montreal: Universalia, August 4, 2000, p. 4; Kathy Brock, "A Final Review of the Joint Coordinating Committee of the Voluntary Sector Initiative 2000-2002 by the Official 'Documentalist and Occasional Advisor," Paper prepared for the JCC, 2003, p. 4.

[65] The JCC seems to have had no authority at all nor did it try to exert it over the sector or government only working groups and mechanisms, because they were not joint.

[66] The lack of structural connection with the other Joint Tables was compounded by the fact that in several cases, the ADMs on the JCC were not those responsible for the Joint Tables in their departments.

[67] A point was made in the interviews that better use could have been made of technology in order to avoid duplication of material and document overload.

[68] Kathy Brock, "A Final Review of the Joint Coordinating Committee," 2003, pp. 11-12.

[69] Joint Coordinating Committee, "Record of Discussion, Meeting of April 26, 2001," VSI files.

ensure that mandates were clear and work was progressing. These meetings gave some co-chairs the impression that the JCC was too paternalistic and they did not go particularly well. A turning point for the JCC occurred when two of the Joint Tables simply told the JCC to mind its own business, that they were not going to take direction from the centre.[70]

In spite of its initial limitations, the JCC eventually hit its stride, assuming a more active leadership and coordinating role. This occurred to a large degree because its members realized what was at stake and they had to take concerted action. It was also greatly aided by the high levels of commitment of the JCC members and by strong co-chairs who had an excellent working relationship between them and who were willing to be very open and honest with the members.[71]

The JCC conducted a visioning exercise in March 2001 which helped to clarify its role and it began to ask for progress reports from the Joint Tables (which were resisted by some as they felt the JCC had no authority to do so). They also experimented with informal means for connecting with the tables (such as having meetings which included all of the co-chairs or a buddy system both of which was seen to be unworkable and were abandoned). A Communications and Consultation plan was finalized and, the JCC began to troubleshoot more effectively. It was successful in helping to mediate several tricky situations with the Joint Tables, notably with the JRT and the AJT and with the finalization of the Accord and the codes. This demonstrates an important way in which the VSI was able to learn and adapt as it went along. Although the JCC grew into a stronger leadership and coordinating role, this took at least a year of the process.

JCC members were generally positive about the role that the JCC came to play, rating it just over 6 (out of 10), while other participants are about equally divided on its effectiveness. Undoubtedly this assessment is only 'moderate' because respondents may have averaged the weaker performance at the beginning and the stronger one near the end of the VSI.

Participants had a number of suggestions as to how the role of the JCC might have been more effective from the beginning. These include:

> setting up the JCC first before launching the work of the other tables in order to get the coordinating role started;
> streamlining the rest of the process (the number of Joint Tables and the sequencing of their work);
> providing stronger secretariat support to the JCC;
> establishing a clearer accountability framework; and
> providing better connections with the Joint Tables. There was a sharp division, however, over whether it was feasible to have the JCC constituted by co-chairs of the Joint Tables due to the workload that this would entail.

A key lesson is to adapt and fine tune the structure as it proceeds.[72] Clearly, more thinking was needed at the forefront about what the JCC was going to do, prioritizing its responsibilities and then setting things in motion. This meant giving more attention to the overall stewardship of the process and doing so at the beginning.

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[70] Joint Coordinating Committee, "Record of Discussion, Meeting of September 5, 2002," VSI files.
[71] Issues of confidentially were obviously more difficult for the government co-chair because as a senior public servant in the PCO and as co-chair of the ADM Executive Committee, there were certain matters which had to remain confidential. The table members indicated that they appreciated her willingness to be as open and transparent as possible.
[72] Joint Coordinating Committee, "Record of Discussion of Meeting of September 5, 2002."

When the Horizontal Meets the Vertical: Governance, Leadership and Accountability

> "The make-or-break variable is not the requirement for accountability, but the way accountability is managed, as well as the capacity of managers and organizations to take measured risks and to be innovative."
>
> CCMD, *Moving from the Heroic to the Everyday*, 2002, p. 21

The mechanisms for governance and accountability are what connected the VSI with the authority structures of the partners involved. This was challenging because the VSI was joint, making it difficult to have non-governmental players accountable to government authorities and vice versa, and because it was decentralized, involving many components within the initiative and departments within government. A number of challenges were encountered trying to plug this horizontal process into the vertical lines of authority in the federal government. Also, it was around the processes of governance and accountability that the vertical authority structures of the Government of Canada bumped up against the flat, horizontal nature of the voluntary sector.

> **Governance** refers to the processes and structures through which power and authority are exercised, including the decision making processes, i.e., *who participates and how*.
>
> **Accountability** refers to the obligation to demonstrate and take responsibility for performance in light of agreed expectations, and answers the question, *"who is responsible for what"?*
>
> CCMD, *Using Horizontal Tools to Work Across Boundaries*. Ottawa, 2002, p. 24

This section examines how well the governance model and the accountability mechanisms worked for the VSI. While the emergence of leadership may be facilitated by the governance model, the machinery provides no guarantee that strong leadership and effective champions will be forthcoming. Thus a separate issue then is whether strong leadership and champions emerged.

Participants' Views

Neither government nor voluntary sector participants gave high marks to the governance and accountability of the VSI (a mean of between 5.0 and 5.5) as indicated in Figure 6.2. The strength of leadership in the process was seen more favourably, however.[73] Leadership took some time to emerge, particularly for the JCC which was nevertheless viewed to be a strong player by the end of the process. The voluntary sector was viewed, by both sides, to have been the most effective in providing leadership to the initiative as shown in Figure 6.3.
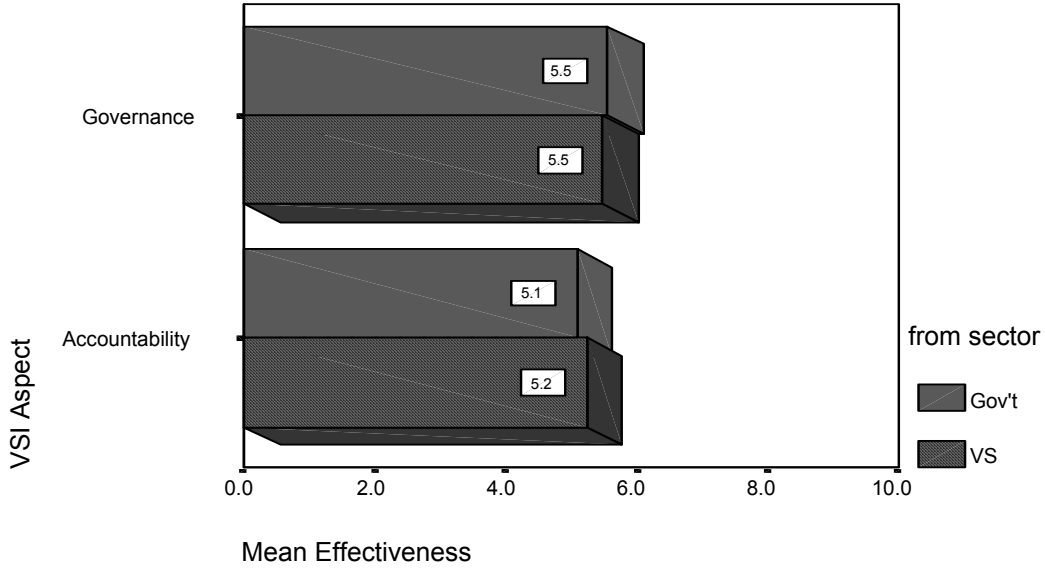
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[73] There were no significant differences in ratings on any of these dimensions between the government and the voluntary sector participants.

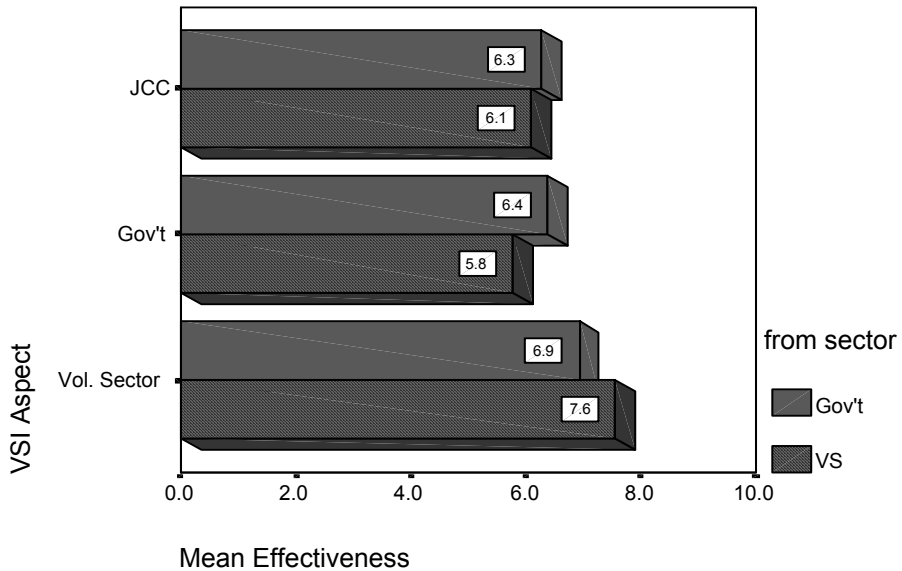**FIGURE 6.2**

Governance and Accountability

56 and 58 responses respectively

FIGURE 6.3

Leadership

56 - 61 responses

The Governance Challenges

These relatively low ratings of the governance and accountability processes of the VSI reflect several inherent challenges:

The role of the JCC as part of the joint governance model was not clear.

> "There were formal structures and accountability, but no power or authority to make anything happen."
>
> Joint Coordinating Committee, "Record of Discussion of Meeting of September 5, 2002," p. 8

The initial role of the JCC as being a coordinating rather than an oversight body meant that its relationships with both the government and the voluntary sector leadership were ambiguous.[74] The JCC was therefore reluctant to intervene or take an activist role, partly because it rightly did not want to interfere when things were going well, and partly because its legitimacy to do so was not well established. When some components of the VSI ran into difficulties, troubleshooting did not occur as swiftly as it might have if the JCC had had a clear leadership function and defined responsibilities for dispute resolution.

Near the end, the JCC was certainly showing itself capable of such intervention and leadership. One of the less visible but very important aspects of the JCC was that the senior public servants on it were able to provide good connections with their departments and advice as to government policy and what would 'fly' in the changing political environment. For instance, in the aftermath of 9/11, they were able to provide advice on the impact on government priorities and in preparation for the transition to the next stage they were able to communicate internal government expectations and positions.[75]

The boundary between joint governance and government authority was ambiguous.

> "The lesson learned is that the Government needs to coordinate more internally and earlier."
>
> Joint Coordinating Committee, "Record of Discussion of Meeting of September 5, 2002," p. 5.

As several public servants noted, it was difficult to tell where joint accountability ended and internal government accountability began. There were several reasons for this. First, in spite of its complexity, no formal accountability framework seems to have been deployed for the VSI. Although a Results-based Management Accountability Framework (RMAF) had been developed by a consultant, it does not appear to have been adopted or followed.[76]

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[74] This problem was aggregated somewhat by an initial mismatch in the membership between the JCC and the VSSG. While the ADM members of the JCC also sat on the ADM Committee, not all of the voluntary sector members were part of the VSSG. Nine months into the initiative, this was rectified by adding all of the voluntary sector JCC members to the VSSG, an adaptation that gave the latter a better sense of issues coming forward from the JCC.

[75] Kathy Brock, "A Final Review of the Joint Coordinating Committee," p. 9.

[76] Indeed, only one respondent made any mention of the existence of such a framework.

Second, there had been little clarification of what the requisite approvals process would entail for specific products of the Joint Tables. The issue of who had authority and accountability for what (and when) was most pronounced in the process of approving the Accord and later the codes. Members of the JAT, including the ADMs, were able to fairly readily agree on a draft of the Accord (and subcommittees subsequently produced drafts of the Codes on Policy Dialogue and Funding), and these were approved by the JCC and ADM Executive Committee. Because the Accord involved commitments by government, Ministerial endorsement was required. Many believed that at this stage, however, the drafts would be approved quite smoothly by the RGM and the process would be complete. When the central agencies – PCO, Finance and the Treasury Board Secretariat – reviewed the Accord and played their traditional challenge function, they asked for changes. This forced the drafts to be turned back to the JAT for further discussion. The same process was repeated with the Codes. The turning back of the drafts of these documents after they had been approved by the internal processes of the VSI, including the ADM Executive Committee, left the ADMs in an awkward position – without clear guidance during the process and second-guessed at the end of it.

In both cases, it took not only strategic intervention and fast work by the JCC, VSTF and key individuals, but intense negotiations almost daily over several weeks to reach agreed terms so that the revised versions could get through the governmental approval process in time for the signing of the Accord on December 5, 2001 and the unveiling of the Codes at the last All Tables meeting in October 2002. At several points it looked like the issues might not be resolved and parties started working out "collapse" scenarios.

The ADM Executive Committee could have been more engaged.

> "Something this broad needs strong central leadership. But there were gaps in leadership, no deputy minister involvement or accountability for the initiative, so the ADM Committee could only go so far."
>
> <div align="right">Member, ADM Committee</div>

Although seen to be an essential component of the governance process, several participants felt that the ADM Executive Committee was not engaged as fully as it might have been and that it did not grapple with the tough issues of the VSI. ADMs did not attended the Committee meetings with great regularly, often sending substitutes, due to the many other demands on their time and lack of direct accountability to the Deputy Ministers.[77] Initially, the ADM Committee was very large, some 23 departments. It became apparent that this was too large a group to serve as an effective decision making body, so a smaller Executive Committee was carved out of it, leaving the large group in place as an ADM Advisory Committee. While this probably made the Executive Committee more effective, it meant that there was little left for the Advisory Committee to do, and it met rarely after that point.

It was noted by more than one ADM that the voluntary sector and government officials began the VSI with different strategic approaches and agendas. As one stated, "the sector seemed to have a much better idea of what they wanted out of this initiative – the sector had an agenda. [There was

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[77] Until September 2001, only about half of the 10 ADMs or their representatives attended the seven meetings. After September, attendance was much higher as indicated by the minutes of the ADM Executive Committee. There was a core group of four ADMs who were with the process almost from beginning to end, and who attended virtually every meeting.

a] lack of clarity of why government was in it… A more passive role for government." It appears that the ADM Executive Committee was unable to help the government clarify to any great extent its collective position on the policy issues or exercise strategic leadership. This contributed to the sense that until very late in the process there was no clear endgame in sight.

The Deputy Minister community was not engaged.

The VSI never managed to effectively engage and create champions at the DM level. This was noted repeatedly in the interviews with public servants, who saw it as a major shortcoming. There had been no strategic plan for approaching Ministers or Deputies, so the VSI remained reactive on this score. The lack of engagement by DMs often put their ADMs (especially the co-chairs) in a difficult position, caught between dual accountabilities to the VSI and to the DM. If the DM could not see the direct connection of an ADM's involvement in the VSI for the mandate of the department, the time was not necessarily seen as well spent. The other implication was that, without the DMs actively engaged, the collective federal policy position was difficult to clarify.

The VSI had initial political support, but did not use it fully.

The creation of an RGM of nine key ministers to provide a focal point for leadership and coordination on behalf of the government and a locus for dialogue with the voluntary sector was itself an innovation, an attempt to broaden the base beyond a single minister and to be more flexible than the full Cabinet Committee on the Social Union to which it reported.[78] The general impression from participants was that there was at the start strong political support from Ministers, although few, with the possible exception of the Chair of the RGM, were seen to be highly visible and active champions of the VSI. As some of the government participants noted, however, the VSI did not make good use of the support it had. Ministers normally meet only when there are key decisions to be made, particularly of a crosscutting nature. Once the MC was in place and with the exception of the Accord and the CVI, there were few major decisions that required ministerial approval. In addition, given the decentralized structure with departments and 'their' Joint Tables dealing with individual pieces of the VSI, the PMO and PCO had referred relatively few major crosscutting issues. However, the RGM met seven times between February 2001 and August 2002.

The related issue was that the VSI had little means of keeping its policy vision relevant. By the time the Initiative actually got underway, some three years after the Red Book, it had lost political saliency to some degree. It might have been wise to have a group, perhaps the VSSG, the VSIS or the VSTF, responsible for developing and updating a policy vision that would keep the VSI relevant – that would reframe it within the issues of the day and keep it on top of the agenda.

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[78] The composition of the RGM changed somewhat over the course of the VSI: it was initially 9 ministers, reduced to 8 in January 2002.

A governance structure for the voluntary sector had to be invented: this produced leadership for the sector within the VSI but diminished it outside of the VSI.

> "We were our own worst enemies – we should have stayed on the leadership track, not going to an operational track. We should have had trust in government and ourselves. We safeguarded our positions in a wrong way, instead of being political. We needed to stay at the VSR level, not go operational. We lost credibility, got sucked in by process and lost our way."
>
> Member, VSSG

Unlike government, the voluntary sector does not have a single authority structure, so a mechanism to provide governance and leadership for the voluntary sector in the VSI had to be invented. The VSR had led the sector through the earlier round and continued in this capacity in the VSI, although it realized at the outset that this group needed to be expanded to include the voluntary sector co-chairs, and later the sector members of the JCC and the chairs of the Aboriginal and Visible Minority Reference Groups. This expanded group named itself the VSSG and was supported in its work by the VSIS. The VSR then ceased to hold separate meetings, as its members were part of the VSSG.

The VSSG had to work on the basis of its credibility – that the sector would accept and support its role – as it lacked any official authority over the sector nor had any levers to require voluntary organizations to do anything at all. The role was intended to be "more of a sounding board than a supervisory role." It consciously stayed out of attempting to play a coordinating role among the tables as this was seen to be the responsibility of the JCC and the two main secretariats.

The effectiveness of the VSSG was rated very highly by both its members and the VSI participants more broadly. In particular, the VSSG succeeded in helping the voluntary sector be strategic, in identifying problems and in facilitating discussions when things that were not going well. It provided an important conduit for information to the JCC and gave the sector co-chair of the JCC the authority to raise issues there which helped to keep the momentum of the process going. Although it attempted to play a constructive part in troubleshooting, several participants noted that, like the JCC, it waited too long to intervene when two of the Joint Table were very slow in making progress.

The ambassador role of the VSSG was also significant, providing liaison between the sector and the RGM, although this connection was not as solid as many as the VSSG would have liked. The leadership of the voluntary sector was frustrated that it had limited contact with Ministers once the VSI began, a stark contrast to the expectations that had been created by the well attended dinner meetings in the lead in period. The VSSG met with the RGM only once (in May 2001 in conjunction with the All-Tables meeting).

In effect, the VSI created a paradox for the VSSG: by being more on the inside, they were inadvertently more on the outside of the political process than ever. The VSI gave the voluntary sector a venue to have its issues addressed, within limits, but by being so consumed with the process of the VSI and being so much on the inside, they diminished their political voice outside of the VSI. The VSSG tried to use the VSI as a channel for dealing with emerging, difficult policy issues. Most notable was the impact of the stricter accountability regime imposed on grants and contributions that occurred around the same time the VSI was established. They did

not succeed, however. When such issues could not be dealt with through the VSI mechanisms, the VSSG was *either* not willing to jeopardize the VSI process by stepping outside it to raise issues more vocally to ministers or in a more public context *or* was too consumed with the VSI process to do so.

It was not simply that the sector gave up its political voice, however, but that it was taken away by the process. The sector leaders felt constrained by a lack of access to the political process as it became difficult to get meetings with Ministers since the expectation was that any outstanding issues would be dealt within by the VSI joint process. It became a paradox: officials did not encourage ministers to meet with sector leaders until the contentious issues were resolved by the VSI and, as the issues were not being resolved through the joint processes, sector leaders were even more anxious to meet with ministers. For all of these reasons, it was a common theme among the sector participants that in the process of the VSI, the voluntary sector "lost its political voice."

In sum, it is not surprisingly that a process that was simultaneously joint and decentralized within government would face challenges of governance and accountability. In many respects, the VSI was ground breaking in trying to be both collaborative between sectors and horizontal within each. For many participants, the primary conclusion was that it was amazing that the process worked as well as it did, given the hierarchical nature of government and the anti-hierarchical character of the voluntary sector. The ability of the VSI to get as far as it did was largely attributed to the commitment of participants to the common cause and the leadership shown by key individuals on both sides. The process was able to overcome constraints because individuals showed personal leadership and took risks to ensure that things got done and improve working relationships.

Engaging and Communicating Beyond the VSI

An important objective of the VSI was to engage the voluntary sector beyond the immediate participants in the collaboration and inform the broader sector about the plans and the progress of the initiative. The intent was to enable the sector to connect with itself and with government in relation to the issues and content of the VSI, rather than to simply inform the sector or the public at large about the existence of the VSI *per se*. Similarly, there was an interest in consulting with regional offices of the federal government and provincial and territorial governments about the VSI. Some aspects of this communication and consultation were done jointly and others were separate responsibilities; some were done in a centralized manner, others were decentralized.

Communications

A major experiment of the VSI was to operate a joint website. This proved to be a very popular vehicle of communication with over 136,000 visitors from January 2001 to July 2002. Although the website was jointly operated, government communications policy required that all postings be approved by the VSTF. This created challenges in finding common language that would resonate with the voluntary sector as well as with the government's intended message. It appears to have resulted in some cases in very 'soft' language. It also produced a sense of inequality on the part of the VSIS which had to seek approval for the messages communicated. Eventually, the VSIS began to produce its own newsletter aimed at the sector, although approval was still

required. The challenges of communication raise the question: when do actions or products need to be done in the same way in a collaboration to still be seen as joint? This is one case in which the parties learned over time that they could speak independently without contradicting each other.

A variety of other means of communication about the content of the VSI were deployed including the dissemination of over 70,000 brochures and 25,000 copies of the Accord and the Codes, as well as over 120 speaking events or displays organized by the VSIS. One lesson from this is that it may take a long time for communication to have an effect. In spite of the amount of information disseminated by the VSI, many in the voluntary sector were finally beginning to hear about its work just as it was winding down.

A major disappointment was the December 5, 2001 media event that marked the signing of the Accord and the announcement of the Canada Volunteerism Initiative. Although the event had been well organized and was important in opening the eyes of a number of Deputy Ministers, the media showed little interest and the story received no significant national coverage.[79]

Communications about the actions and progress of the VSI was a means to informing the sector and the broader public, and in encouraging people to discuss issues in their own communities. In order to create a real sense of ownership for the initiative, more than mere information was needed. To this end, the VSI undertook an extensive process of consulting with and engaging the voluntary sector and other stakeholders in two-way dialogue.

Consultations: Engaging the Voluntary Sector

While public communication was mainly a joint responsibility, engaging the relevant stakeholders was a mix of responsibilities which came together reasonably well:

> ➢ the strategy for consulting with and engaging the voluntary sector was the responsibility of the VSIS;
> ➢ consulting with government and the provinces and territories was handled by the VSTF;
> ➢ determining the need for consultation, preparing the content and appearing at the consultations fell to the individual Joint Tables; and
> ➢ coordination of this activity to prevent consultation fatigue was done by the JCC.

Given the level of activity and shared responsibilities, it comes as no surprise that overall planning and coordination was a challenge.

In the fall of 2000, the VSIS developed a consultation plan that was adopted by the JCC in January 2001. As part of its strategy, the VSIS made a strong effort to involve parts of the sector that are normally difficult to reach, namely Aboriginal and visible minority communities, and small community-based organizations, as well as to encourage province wide participation. There was also an attempt to ensure that these felt like genuine consultations in which there would be a real chance for two-way dialogue. As much as possible, the VSIS tried to work through provincial and regional

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[79] Planning for the December event was a point of contention between the voluntary sector and the government as the sector leaders did not want to couple the Accord with an announcement related to volunteerism. The reason was that the public and media so often equate the sector only with volunteers, they feared that the significance of the Accord would be lost. The government position prevailed, however, and the Accord and the CVI were announced at the same time.

networks, and hired local voluntary organizations to serve as hosts, tasked with organizing, inviting participants, and holding the events. In total, 140 consultations were held across the country, in large and small centres, in which over 5,200 people participated.[80]

TABLE 6.1
Engaging the Voluntary Sector: by Events and Number of Participants

Focus of Consultation	Number of Events	No. of Participants
Accord Joint Table	35	1,954
Regulatory Joint Table	23	N/A
National Volunteerism Initiative	11	400
Pooled (several Tables)	27	530
Industry Canada – Canada Corporations Act	19	391
VSIS	9	284
Visible Minority Reference Group	9	389
Aboriginal Reference Group	4	215
Small Organizations	3	40
Total	140	5,233*
National Forums	2 (in Ottawa)	407
Web site		65

* Total participation is an underestimate as the attendance at the JRT consultations is not available.

From the perspective of the host organizations, the consultations were adequately funded, and conducted fairly well. A wide range of methods of outreach were used, but invitations to participate primarily relied on existing networks, lists, and contacts. The levels of participation met the expectations of the hosts and the sessions provided a foundation for local and regional leadership to emerge and therefore contributed to national network building.[81] The groups that were not as well represented as they might have been were francophone communities, First Nations, sports organizations, youth, and groups in northern, rural and remote areas.

A concern was that the consultations were very time pressured. For instance, the Joint Accord Table needed to get out to communities in two short windows of time, in May and June before the summer of 2001, and again in the early fall so that the results could actually be used in reworking the draft Accord before it had to go forward for ministerial approval in late October. The short time frame in which many of the hosts had to organize the consultations affected their ability to reach the full range of desired participants and many complained that people did not have enough time to read and digest the documents. The time pressure also affected the ability of the process to get extensive feedback on how the information obtained during the consultations was actually used by the VSI and whether it made any difference to policy outcomes.

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[80] This is a rough estimate provided by the VSIS as accurate attendance was not recorded at some of the sessions. In total, 5 percent of the 140 consultations were held in small centres or remote areas; 31 percent in medium sized centres; and 64 percent in major cities. One component of the process that did not work as well as planned was the use of the web for discussion.

[81] Interviews with representatives of 10 host organizations, selected on a regionally representative basis, were conducted as part of this evaluation.

In Quebec, the attempt to connect through regional networks was not as successful as elsewhere. Many organizations commented that the instruments and means used to consult and connect with Quebec did not reflect the reality and distinctiveness of the sector there. For example, many criticized the terminology used, particularly around the Canada Volunteerism Initiative, because it was not widely used or accepted in Quebec. To be fair, the context was not the most ideal because similar talks to strengthen the state-sector relationship were in the works between the community movement and the government of Quebec. Hence, the level of commitment and engagement from Quebec participants was not as high as was initially hoped.

The consultations demonstrated the challenge of time demands on the Joint Table members and staff. For most consultations, one or two members of the Joint Tables, Reference Group or other mechanism attended, as well as a staff member from VSIS and VSTF. Given the number of events, VSI participants rotated attendance. This had a positive effect of providing exposure to community concerns for a wide range of VSI representatives, but it also meant there was little continuity of representation from one event to the next and little linkage from one event to the other in bringing the results together at the end. It would have been extremely difficult to have greater continuity, however, as the time demands created by the sheer number of events outweighed the capacity of personnel.

An important innovation in the process of engagement came in the fall of 2001 when the JCC agreed to increase the communication capacity "on the ground" by hiring 12 part-time Regional Communications Officers, using money from the AJT and other sources which was likely to lapse. These officers were hired, supervised and coordinated by the VSIS, but located in voluntary organization in the provinces. Their main roles were to support the Joint Tables, Working Groups and VSIS in their outreach efforts and communicate widely about the work of the VSI.[82] The majority view seems to be that these officers were very effective and should have been in place much earlier. It is a good example of how the VSI was able to be adaptive as it learned by doing and used creative ways to use money about to be lapsed. Perhaps the involvement of regional consultation officers at an earlier stage might have avoided duplication in the consultation process and have facilitated broader communication strategies.

In sum, although it encountered some logistical challenges, consultation with the voluntary sector was seen by participants to be broad and effective, as illustrated in Figures 6.4 and 8.2, and was is often described as one of the success factors in the VSI.

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[82] VSIS, "Final Report," 2003.

FIGURE 6.4

Engagement, Consultation

and Communication
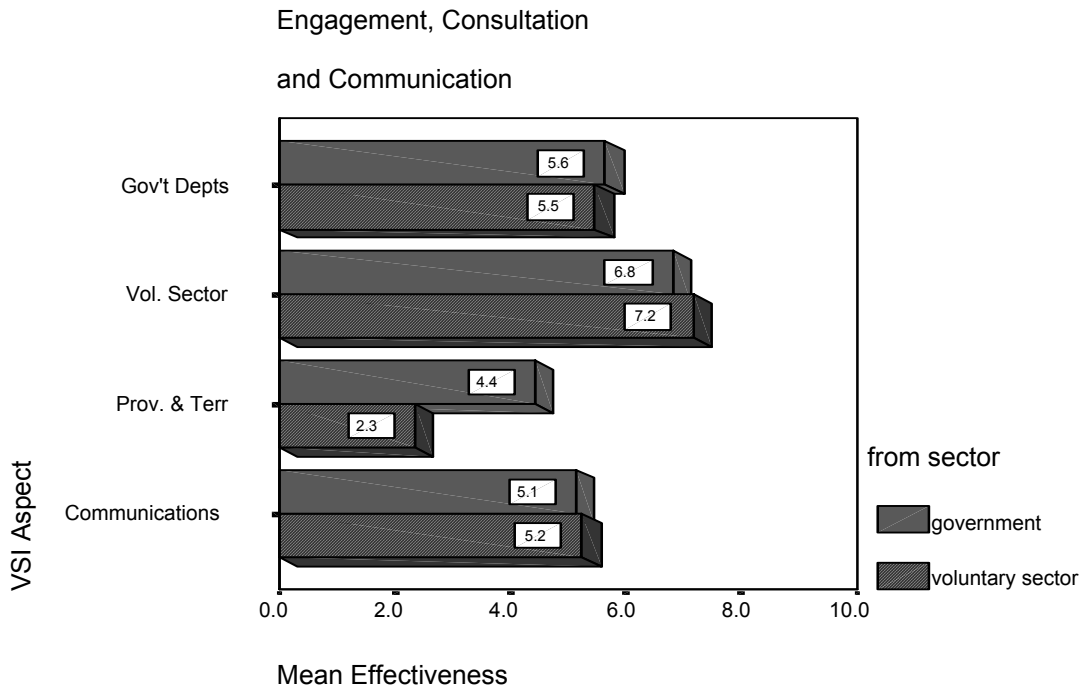
Involving Regional Offices and the Provinces/Territories

Responsibility for engaging federal departments and regional offices of the Government of Canada as well as the provinces and territories was a sole government responsibility, organized by the VSTF. On some of the key policy issues, such as the Accord and the Codes, discussions were organized with representatives from a large number of federal departments. Public servants in the regions appear to have been informed about the work of the VSI and were invited to attend the consultations organized by the VSIS and the Joint Tables, but they were not engaged in any sustained way. The process of government consultation was not as transparent as that for the voluntary sector, and it is not well reported as part of the VSI activities. This lack of transparency may be why it was rated as not being particularly effective by participants, as shown in Figure 6.4.[83]

Many VSI participants, particularly from the voluntary sector, would like to have seen the VSI more actively engage the provinces and territories. For the sector, the relationships with provincial and territorial governments are in many respects more important than those with the federal government and the work of some of the Joint Tables touched directly on issues related to policies of provincial and territorial governments. In the work of the JRT, for instance, the provinces were described as "the dead elephant in the middle of the floor," a big presence which the JRT tiptoed around.

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[83] The limited involvement of regional offices of the federal departments is also indicated the fact that of the 10 heads of Federal Councils and key departments that we contacted to participate in the study, not one felt that he or she had been sufficiently involved in the VSI to contribute in a meaningful way to the evaluation, or simply did not respond to our request at all.

The VSTF held a number of information sessions with provincial and territorial government representatives, but they also recognized that such consultation was a gap across the board.[84] However, the VSI was never meant to be a Federal/Provincial/Territorial undertaking. Its goal was to enhance the relationship of the voluntary sector with the Government of Canada, not with all Canadian governments. Given that the agenda was already very large, expanding the mandate and the work to make it intergovernmental in any serious way would probably have overloaded the process very rapidly. No one interviewed was able to offer specific advice as to how provincial/territorial involvement might have been handled differently. Reports to the JCC from the provinces/territories indicated that they were generally satisfied with the flow of information and level of engagement.[85]

Although the provinces may have had minimal direct participation in the VSI, the national initiative was able to lead by example. In a number of provinces, voluntary sector groups approached provincial governments to propose that they launch processes similar to the VSI. The idea was taken seriously so that in several provinces and major cities, VSI-like initiatives are now underway. Indeed, this engagement by example could prove to be one of the unplanned, but positive legacies of the VSI.

Moving On: Managing the Transition

> "One of the central challenges of maintaining momentum lies in managing the transition of an initiative from stage to stage."
>
> CCMD, Moving *from the Heroic to the Everyday*, 2001, p. 36

Although the VSI is a five year initiative, the Joint Table phase lasted only two years. At the end of the first phase, most of the existing VSI machine wound up, passing responsibilities to new mechanisms and personnel. One phase of an initiative does not simply stop and the next begin, however. Rather, transitions need to be planned and actively managed so that achievements of the overall initiative are not compromised and that a smooth hand off occurs which enables people with responsibility for the second phase to learn from those in the first. How well the transition is handled affects not only the second phase, but current work. It was therefore considered in this evaluation as part of the process of the first phase.

The assessment of VSI participants is that transition management was not done well at all. In fact, planning for the transition was rated the lowest of all the aspects of the VSI process, receiving a mean rating of only 4.4 (N = 36). This low rating was not simply a matter of overly high expectations on the part of the voluntary sector as to what the next phase would bring, as there was no significant difference of opinion between the government and voluntary sector participants. It is evident that there were several serious shortcomings of the transition process.

First, the end of the collaborative phase caught many of the VSI participants by surprise either because the two year time horizon had not been well communicated or, since they were slow to get going with their work, the end seemed to come up fast. Recognizing the need to develop a strategy for managing the transition in March 2002, the JCC sent a letter to the Joint Tables,

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[84] Joint Coordinating Committee, "Record of Discussion of Meeting of April 26, 2001.
[85] Joint Coordinating Committee, "Record of Discussion of Meeting of September 5, 2002.

groups and mechanisms to request that they produce final reports for submission in the fall. Since many were still in the full midst of their work, they were not prepared to begin wrapping things up. Final reports were produced, with the assistance of the secretariats, although most were not completed until early 2003.[86]

Second, the original budget had not provided funding to enable continuity of the secretariats through the transition. The VSIS and VSTF had only been funded for two years, ending in June 2002, even though the work of the tables was not complete. Money was redistributed and some interim funding found so that both could continue at least in skeletal form until March 2003. While staff turnover had always been high at the VSTF, people began to leave in greater numbers once the end was in sight. In three months before the October 2002 end, 14 staff left before the final reports were in or all of the projects wrapped up.

Third, there was a long period of uncertainty about what would happen in the second phase: where would responsibility be vested within government? How much funding would there be? What would become of all of the effort in the joint phase? There were obviously many factors to consider within government, and it faced a strong difference of opinion from the voluntary sector as to where the unit that would succeed the VSTF should be housed. The VSSG felt very strongly that, in order to maintain political attention and influence across government departments, the administrative machinery had to be placed in a central agency. Indeed, it felt so strongly on this matter that it wrote to the Prime Minister.

Decisions for the machinery for the second phase were not made until September 2002 and not communicated publicly until the last All Tables meeting in early October. [87] At that point, it was announced that a new administrative unit would be established in the Department of Canadian Heritage;[88] that the Minister of that department would be designated as the first ever federal Minister with responsibility for the Voluntary Sector; that a ministerial consultative committee and an ADM Executive Committee would facilitate horizontal management in the future; and that a joint steering committee of ADMs and voluntary sector representatives would monitor implementation of the Accord and the codes. In addition, Deputy Ministers would be accountable through their performance agreements for supporting this governance model and championing the Initiative and the Accord and a voluntary sector lens would be applied to new policies. No new funds, in either PCH or for the voluntary sector were announced to support the machinery or the ongoing work.

No matter what they thought about these new structures, the long period of uncertainly had raised alarm among many that the VSI would simply drift into oblivion. It cast the future in more doubt than would have been the case if plans for the second phase had been known earlier. It also meant that most of the secretariat support was gone before the new administrative unit in Canadian Heritage could be fully staffed.

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[86] The VSTF took the lead in creating an information legacy by commissioning a full listing of the VSI documents and on compiling a comprehensive financial analysis (which proved more difficult).

[87] At the final All Tables meeting in early October, participants provided an assessment of the strengths and weaknesses of the process, and messages for the handover for future VSI work. See VSI, "All Tables Meeting October 8, 2002: Workshop Results" (3 reports).

[88] The unit was moved under the Martin government to the new Department of Social Development.

What is evident is that collaborations need to prepare for and communicate about the nature of the transition much earlier than did the VSI. Although it is often very difficult to do, as many decisions may be pending until late in the game, the need for transition planning and active management of the transition itself is one of the lessons of this process evaluation.

Conclusion

The principles of clear and robust arrangements and establishing ownership and leadership apply as much to horizontal management as they do to collaboration. One of the shortcomings of the VSI was that the coordinating and governing arrangements were not as robust and able to exercise effective oversight as they might have been. A central issue was that the boundaries were sometimes fuzzy as to when joint decision making processes ended and those internal to government kicked in. The process also illustrates that a key part of effective governance is political support, at both the ministerial level and among the DM community. Even when strong political support exists, its fit with the process needs to be strategically managed so that there are decision points at which ministers and DM will be engaged. This requires that the policy vision behind the initiative be continually reviewed and revised so as to remain politically relevant. Occasional meetings between ministers and voluntary sector leaders can also be important, even in the absence of decisions to be taken, in building trust and maintaining momentum.

One of the strengths of the process was to reach out to broader constituencies, particularly within the voluntary sector. This was built around a variety of routes into engagement, involving different sets of leaders and participants, a variety of mechanisms and many locales. The ability of the voluntary sector to be engaged in a broad and sustained way in future joint work points to the value of investing in network capital – the networks and their supporting infrastructure within the sector for communicating, learning and developing policy expertise that enable them to be effective partners.

Chapter 7 – The Challenges of Financial Management

Introduction

It is said of the VSI that it was "played by the voluntary sector's agenda, but the government's rules."[89] The part of the process in which the need to follow government rules was felt most acutely was in financial management. Because government's requirements for expenditure management and accountability are relatively standardized and inflexible, and not well understood by non-governmental personnel, the seeming rigidity of financial management was an ongoing irritant for many of the voluntary sector participants. This is not peculiar to the VSI, as one of distinctive challenges in collaborations involving governments arises from the fact that when governments contribute the funding, they necessarily have to follow their internal mandatory requirements of accountability on its expenditure.

Financial management can also present challenges in the context of horizontal initiatives within government. Money is often the glue that holds horizontal initiatives together and the instruments through which the finances are managed can provide important incentives or disincentives for action. Finding ways to handle the financial arrangements in efficient and equitable ways can be a central challenge for horizontal management within government, as well as for collaborations across sectors.

In the context of modern comptrollership and a focus on citizen-centred government, being able to demonstrate how the money was spent and whether it was invested wisely is a key component of sound governance and accountability.[90] And this was as much a concern for the voluntary sector as it was for the Government of Canada.

For these reasons, this section takes a closer look at the process of financial management in the VSI with an eye to identifying some of the challenges that are involved in working in a joint, horizontal, multi-year exercise. It must be stressed that this is *not* a financial audit of the VSI. Specifically, this section addresses:

> ➢ Flexibility of funding;
> ➢ Funding work by third parties;
> ➢ Conflict of interest; and
> ➢ Financial reporting and transparency.

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[89] Kathy O'Hara, "Presentation to Final All Tables Meeting," Ottawa, October 2002.
[90] See Treasury Board Secretariat, *An Introduction to Modern Comptrollership*, 2002; Office of the Auditor General of Canada, "Involving Others in Governing" (Chapter 2), *Report of the Auditor General of Canada*. Ottawa: November 1999; Auditor General of Canada, "Collaborative Arrangements" (Chapter 5), *Report of the Auditor General of Canada*. Ottawa: April 1999.

Flexibility of Funding

The overall amount of money available to the VSI to conduct its work was never really at issue. As noted in Chapter 4, participants were generally very satisfied with the overall budget. The challenging issue was whether this funding was suitably distributed among the different tasks of the VSI and whether it came on stream at the right times over the life of the VSI.

Flexibility across Activities and Time

A fundamental constraint of financial management within in the public sector is that allocations are generally not very fungible, and this was the case for the VSI. As is standard government practice, overall allocations had to be established at the outset, in the initial MC and Treasury Board Submissions, before the specific nature and timing of tasks could be determined in detail. Funding went to individual departments and not to the horizontal initiative as a whole, so they could not be easily transferred across departments. Nor by government requirements can funding that is not spent in a fiscal year simply be carried over to the next without seeking prior approvals which require some advance planning. Public servants are accustomed to dealing with these constraints, however, and often did so very successfully in the VSI.

In particular, several of the Joint Tables, notably the IM/IT and AJT, were able to effectively re-profile funds that they could not spend in the first year or two to subsequent fiscal years, thereby preventing loss of the funding. Journal vouchers were also used in several cases to move funding from one Joint Table to another.

In spite of these efforts, it appears that more flexibility was needed than could be achieved. An indicator of the lack of flexibility of allocations is funding that is lapsed, and thus never spent by a program or department. (Any lapsed funds are assigned to the Consolidated Revenue Fund and thereby increase the overall government surplus or reduce the deficit, as the case may be.) In the first fiscal year, roughly 22 percent of the total budget was lapsed, compared to roughly 6 percent of the budget in the second fiscal year.[91]

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[91] This figure comes from the roll up table, VSI "Table Expenditures2," prepared by the VSTF. This table, while containing a small number of minor inconsistencies, is the only relatively complete summary aggregate report on VSI expenditures through 2002 that was made available to the evaluation.

FIGURE 7.1

2000-2001 Lapsed Funds and Actual Expenditures

Total lapsed
(2000-2001)
22%

Total actual
expenditures
(2000-2001)
78%

2001-2002 Lapsed Funds and Actual Expenditures

Total lapsed (2001-
2002)
6%

Total actual
expenditures (2001-
2002)
94%
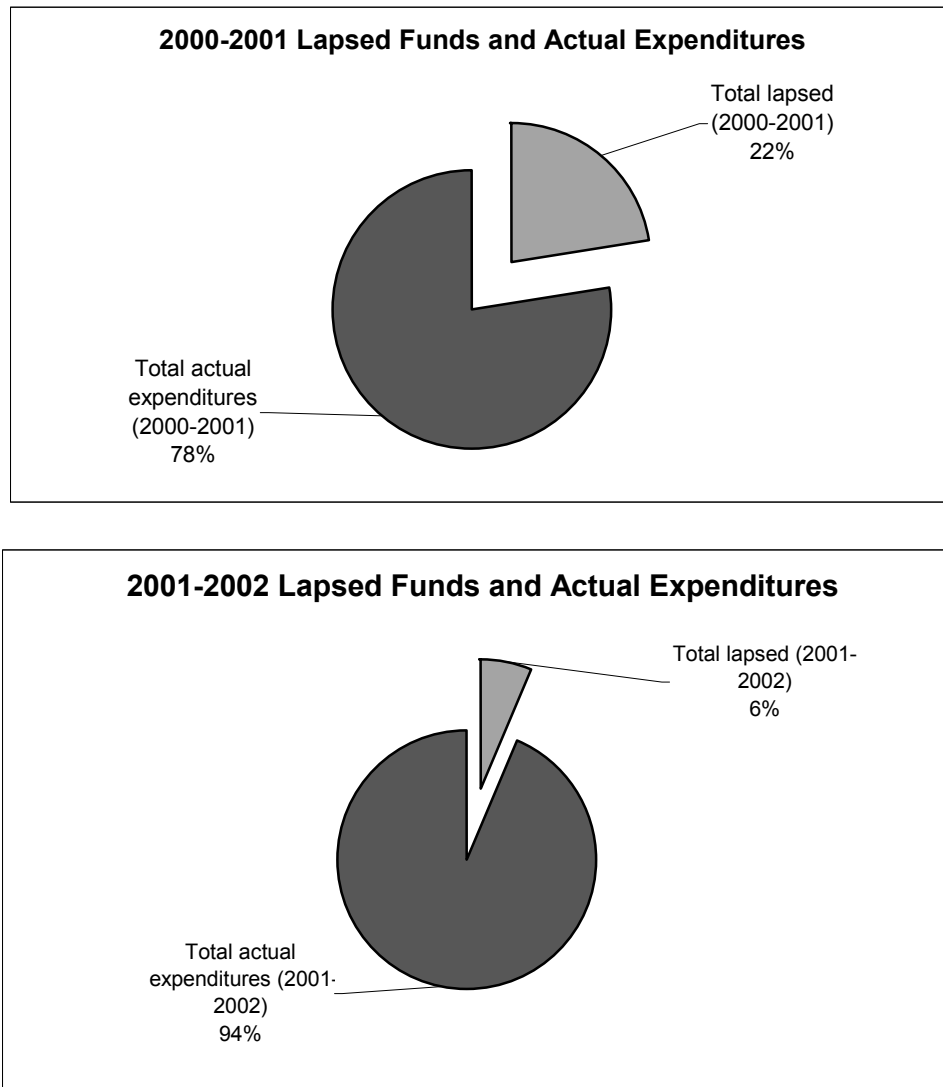
There are two reasons identified in interviews for these lapses. The main reason is that the profile of the funding did not match the work to be done very well. Particularly in the first year, time was spent in discussing mandates and invested in relationship building among Joint Table members, none of which is very costly. In effect, several of the Joint Tables were not ready to spend their funding on a time line that fit the initial allocations.

A secondary factor related to a communication failure. On two Joint Tables, key members responsible for making decisions about expenditures did not understand the constraints on when the money had to be spent, on the ability to reallocate it or on the implications of not spending the budget in a given fiscal year. The size of an allocation from Treasury Board and the requirements relating to lapsing and re-profiling is a basic piece of management information which should have been communicated at the beginning of the process.

The 'Banker' Role

One challenge in an initiative involving joint work of this nature is that the collaborative mechanisms are neither governmental nor separate legal entities that can themselves hold and manage their own funding. Departments were thus responsible for administration of their funding and in so doing incurred real costs. So, the challenge is to ensure that these costs are appropriately compensated.

Several departments involved in the VSI dealt with this by charging fees to the Joint Tables. These fees were clearly regarded as questionable by many participants, as was mentioned several times in the interviews, often being referred to as a "departmental tax" and perceived as taking away from the funds available to the Joint Tables. One reason for the confusion over these charges is that the basis for the charge varied between and among departments. Indeed, some Joint Tables were told that the charge was as high as 15 percent. However, the actual fees charged are seldom specified in the financial reports, so it is difficult to verify this or any other number.

This suggests that the level of appropriate charges for this service and consistency across units should be worked out jointly and the reasons and nature of the charges explained to all participants. One alternative is that an appropriate percentage of the total budget allocation go to a central coordinating body authorized to allocate and reallocate funds from the various parts of the initiative. The cost of banking or administering funds on behalf of a collaborative process will remain an issue in future joint endeavours as long as it is not clear to participants, particularly from outside government, what the charges are for, and at what rates they are levied. In a sense, this is as much as issue of good communication as of financial management.

A related challenge in aligning spending authorities arose from the fact that the VSTF was situated at the PCO. The advantage of housing the VSTF in the PCO was that it enhanced the visibility and importance of the VSI within government. The disadvantage was that it was complicated financial management. There is a tradition that PCO, which serves as the secretariat to Cabinet, does not undertake operational activities and does not make Treasury Board submissions. The VSTF was an anomaly to the extent that it served as a secretariat and coordinating group for the VSI even after the major Cabinet decisions had been taken. Therefore, Canadian Heritage formally received the money for the VSTF and then, through an MOU, transferred the money to PCO. While formal financial accountability for the VSTF rested with Heritage, operational responsibility lay with PCO. To an outsider unfamiliar with traditional practice with regards to central agencies, this might appear to be an unnecessarily cumbersome arrangement. All funds expended were accounted for, however, and accountability was an issue only at the macro-level whereby PCO undertook the operations, but the Estimates showed the allocation of funds to a line department. In terms of departmental budgets and accountability, this had the effect of understating the budget of PCO, and overstating it for Canadian Heritage.

An alternative, might have been to establish a central, special purpose entity that could have overcome more easily the bureaucratic obstacles involved in a joint horizontal endeavor. An intermediate step might be to find the means for a central agency charged with coordinating and supporting such an initiative to receive and account for funds directly.

A Special Case: CCRA's Relative Flexibility

The creation in 1999 of the Canada Customs and Revenue Agency from the former government department, Revenue Canada, meant that as a separate agency, CCRA was able to achieve highly efficient resource management practices. CCRA has been able to find efficiencies in its operational processes while still following similar rules and obligations as other government departments. As the lead agency for the JRT, it was able to utilize appropriate flexibility in terms of timing with respect to re-profiling funds from one year to the next and transferring funds to other departments within prescribed mechanisms and contracting requirements. The generally held view of VSI participants was that CCRA's flexibility was a positive element in its capacity to do the work.

Funding Third Parties

Much of the work done on behalf of the VSI was intentionally assigned to voluntary organizations as the goal was to ensure that a large portion of the VSI funding flowed through to the voluntary sector rather than remaining within government. In this sense, the process itself could be seen as helping to build capacity in the sector. One of the concerns reflected in the low ratings given to the systems of financial administration in the VSI was that some of the financial instruments used to flow money to the sector were not seen to be very accommodating to the needs of third parties or the process overall. The most widely used instruments for funding third party activities were contribution agreements and contracts.

Contribution Agreements

Contribution Agreements: A contribution is a conditional transfer made when there is or may be a need to ensure that payments have been used in accordance with legislative or program requirements. More specifically, contributions are based on reimbursing a recipient for specific expenditures according to the terms and conditions set out in the contribution agreement and signed by the respective parties.[92]

> Treasury Board, *Guide on Financial Arrangements and Funding Options*, p. 9.

Contribution agreements were an obvious and appropriate instrument of choice in flowing funds to voluntary organizations to conduct work on behalf of the VSI because that the recipients were asked to undertake specific assignments in specific time frames.[93] Contribution agreements were also seen as a way of allowing voluntary sector to apply their own contracting procedures, but still within an accountability regime.[94] Given the strict nature of the current accountability regime governing grants and contributions, however, delays were sometimes encountered in

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[92] Treasury Board, Guide on Financial Arrangements and Funding Options, p. 9.
[93] An alternative would have been grants which are mechanisms to transfer funds unconditionally to organizations to support their activities. Because they have fewer strings attached, they are not as onerous bureaucratically as contributions. Their use for the purposes of the VSI would not have been particularly appropriate, however, despite the views of some interviewees that they would have been more flexible administratively. The VSI was not about supporting specific organizations; it was aimed at accomplishing certain tasks that would enhance the capacity of the sector.
[94] One important condition on the use of contribution agreements is that appropriate authorities must be in place. This is why HRDC and Heritage administered contributions in the VSI: they had existing authorities in place.

getting contribution agreements in place and the requirements were seen to be overly rigid in the context of a joint undertaking.

This is illustrated by the key contribution agreement for $2 million between the Department of Canadian Heritage and the Coalition of National Voluntary Organizations that supported the VSIS plus the Working groups on Advocacy and Funding (later to include the Reference Groups as well).[95]   The process of arranging the agreement took much longer than expected while the terms of the deliverables were negotiated. For example, after some negotiation of terms and conditions, the draft contribution agreement was turned back by officials in Canadian Heritage in March 2001 because the proposal "does not state which are the specific objectives of the proposed project. These objectives should be time limited, concrete, realistic, attributable, and measurable links to the overall goal of the project. . They should be stated in terms of what will change or be introduced to the VS as a result of the project."[96]   The dilemma was that the specifics of many of these deliverables were to be determined during the course of the VSI, making it difficult to specify them in measurable terms at the outset. The insistence that the proposal include measurable results and specific objectives was, in fact, more stringent than the VSI itself, which never even managed to agree on an accountability framework. Nevertheless, Treasury Board regulations for contribution agreements and the extensive scrutiny to which virtually all contribution agreements themselves were subject at the time led to this anomalous situation. Meanwhile, the work of the secretariat had to get started which required that NVO take out a commercial line of credit to support the VSIS until the agreement was signed, more than nine months after the VSI was announced.

This is a good example of how departmental processes may have appeared rigid to the voluntary sector. Although frustrating to many in the VSI, the level of scrutiny used in this case appears to have been no more nor less stringent, nor the delays it produced any more lengthy than those regularly experienced by most voluntary organizations which were in receipt of federal funding during this period.[97]

Contracting

The main alternative to contributions agreements were contracts. Contracting rules in the Government of Canada are complex. It is required that not only standards of probity, but also requirements for openness, and NAFTA be met. These rules were often seen by participants as inhibiting the work of the Joint Tables, as being inflexible. The governmental system of contracting will present issues to any project, however. The participants dealt with contracting within the system available to them. They also found ways to get funds, through the use of contribution agreements, to voluntary sector organizations that did not necessarily operate with the same set of constraints, but that still provided accountability for the funds and the activities agreed upon.

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[95] Contribution Agreement with Coalition of National Voluntary Organizations, Department of Canadian Heritage, April 9, 2001. VSI files. Because the ongoing operation of VSIS involved significant expenditures, and the cheques to cover them were often slow in being processed, the arrangement also created ongoing liability and cash flow issues for NVO. To assist NVO with financial oversight, the VSSG set up a small operations sub-committee, the Group of Five, that, by all accounts, seemed to be effective in monitoring cash flow.

[96] Comment by officials at Canadian Heritage on the March 7 version of the proposal, March 13, 2001, VSI files.

[97] See Susan D. Phillips and Karine Levasseur, "The Snakes and Ladders of Accountability: Sliding between Accountability and Collaboration in Canada," Paper presented to the Annual Conference of the Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA), Montreal, November 2002.

During the course of the VSI, a concern expressed by the voluntary sector was that voluntary organizations be given greater opportunities, not only in the VSI but on an ongoing basis, to compete for government contracts. The Code of Good Practice on Funding addresses this concern by proposing several ways, including the use of standing offer lists, that the Government of Canada could use to enhance access for the sector to competitive contracting processes.

Managing Conflict of Interest

Conflict of interest was an issue in the VSI mainly because some of the voluntary organizations whose representatives sat in decision making capacities on the Joint Tables and as part of the VSSG would be bidding for projects to be awarded or might be privy to decisions that would affect their organization or those of colleagues. In short, some stood to gain directly from decisions made in the process. This was an inevitable challenge, however, as most of these were the larger national organizations which were needed as essential players in this collaborative process.

For public servants there are existing guidelines on conflict of interest. These focus on financial issues, employment offers from outside, and other activities both volunteer and paid, that may conflict with the public servant's primary duties. However, these were not completely relevant for the voluntary sector participants in the VSI. For these individuals to recuse themselves completely from the VSI would have been impractical and a loss to the overall effort.[98] After considerable discussion, the VSSG developed and distributed a set of conflict of interest guidelines in May 2001 that was designed to "manage" the issue, rather than eliminate it.[99] The guidelines offered a set of specific steps and alternatives beginning with self identification of the issue by the VSI member concerned.

The VSSG deserves praise for dealing with this issue. As with any such set of guidelines, the real issue is the degree to which both their spirit and letter are demonstrated in practice. The interviewees in this evaluation identified only one or two situations where participants felt conflict of interest might have been an issue. In one case, some thought a participant in one Table tried to influence decisions in another table that would benefit that participant's organization. It is interesting to note that the guidelines did not apply to this situation as they only dealt with issues pertaining to members of Joint Tables or Working Groups at their own Tables or Groups.

For some participants, especially representatives of small voluntary organizations, however, the *appearance* of conflict of interest was never fully resolved. A number of respondents continued to feel that the VSI was dominated by the large, national organizations which were in the process to secure funds for themselves, and in the end were the ones that got the major contracts. The fact that larger organizations won the bids for the larger projects emanating from the VSI is a reflection of the limited capacity in the voluntary sector. In reality, very few organizations probably had sufficient capacity to carry out some of the major undertakings of the VSI. It is not clear whether or how the perception of apparent conflict of interest could be fully overcome in any collaboration of this nature.

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[98] The initial assignment of members to the Joint Tables was also done with care so that the natural candidates for certain contracts were not members of a table responsible for that project, although in at least one case, a representative had ex-officio status.

[99] Senior Sector Steering Group (later named the VSSG), *Guidelines on Managing Conflict of Interest,* May 2001.

Financial Reporting and Transparency

There are two aspects to transparency – transparency to participants and transparency outwards to the voluntary sector and the public generally. Both were serious shortcomings of the VSI and consistently identified in interviews as needing improvement.[100]

The first factor that inhibited transparency was the decentralization of the initiative. For the first year there was no formal financial reporting system, although officials at VSTF worked hard to rectify this and the JCC took up the task of better reporting as well. Their efforts were hampered by the fact that departments were not compelled, nor did many feel that they should report to a central agency or to the JCC on expenditures of funds in their own envelops.

A second factor was that departments used different programs for holding their funds, some in grants and contribution programs and others in O& Ms. This made tracking more difficult. Although templates for periodic and final financial reports were provided by the VSTF, each department tended to use its own financial system, so that many of the reports were in different formats from the template.[101]

Given the lack of uniform, and in some cases the lack of response in general, no interim reports were produced and no final roll up of expenditures was done that is regarded to be accurate and comprehensive by all involved. Although each of the Joint Tables and other components produced final reports on their activities, these did not always include financial data.

This meant that it proved difficult for the VSI to be transparent regarding its commitment to flow a substantial portion of its budget to the voluntary sector. Although the intent was never that the VSI would be a substitute for other programs or project funding to voluntary organizations, there was a shared interest in ensuring that voluntary organizations were involved in undertaking work on behalf of the VSI and that as much of the money as possible (reportedly a verbal commitment of 75 percent) would "stick" in the sector through contracts and contributions agreements for various components of work. The VSSG thus also took up the task of trying to report on expenditure. Although this was not a part of their formal role, they felt a responsibility to the voluntary sector to be able to show how the VSI money was spent. And, as many members of the VSSG were called upon in public events to explain how spending $95 million would benefit the voluntary sector, they wanted to be able to say where the money went and explain to the sector why the VSI was a wise investment. They, too, like the VSTF, the VSIS and the ADM Committee, were unable to get a full accounting of how the money had been spent.

We heard no suggestion that there was any impropriety in expenditures or in departmental financial management, simply that the complex and decentralized structure of the VSI made collecting the information into a combined report difficult.

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[100] See also Kathy Brock, "A Final Review of the Joint Coordinating Committee," pp. 20-1.
[101] The VSIS was also concerned about tracking expenditures and had proposed and designed tracking forms which were put forward to the VSTF.

Conclusion

Financial management in the VSI illustrates some of the challenges of managing a large budget in a multi-year joint undertaking that is horizontal in nature and that is designed to involve third parties in key aspects of the work. The first challenge is to built in adequate flexibility, both in being able to move funding across components and over fiscal years, *and* in the financial instruments used to support the work of third parties. In the case of the VSI, it was difficult to anticipate when the budget was prepared how quickly the Joint Tables would be able to start making substantial progress on their work. While some flexibility was achieved through re-profiling and other means, the fact that a significant amount of money was lapsed in the first year suggests that more flexibility was needed.

Because the VSI took place at the very time that a stringent accountability regime was being enforced on federal funding to the voluntary sector, the requirements surrounding contribution agreements were very strict. Throughout this period, government tightened procedures, leading to delays, more extensive reporting requirements, and increased auditing, and the contribution agreements that were part of the VSI were no exception. As part of its efforts to enhance the practices of horizontal management and modern comptrollership, however, the federal government should be encouraged to do research on what some of the alternative arrangements for financial management and administration might be and how they might function.

The second challenge is to ensure at the outset that transparency of financial reporting is built into the system. This might entail either creating a centralized program for financial management, or investing a central both with authority to obtain financial reports from departments or establishing an agreement related to reporting if a more decentralized approach is used. In addition, financial reporting templates should be identified early on, and systems developed or adapted to produce required reports that can be distributed to all relevant parties on a timely basis. Transparency also entails aligning spending authorities and accountabilities. In horizontal and joint initiatives, some unit(s) may need to play the role of banker, administering funds on behalf of others. In these case, the arrangements and level of charges for such services should be a subject or negotiation or, at minimum, transparent. If a central agency co-ordinates a horizontal initiative, means might be found for it to receive and account for the funds directly.

The final challenge is one of communication – of ensuring that non-governmental participants in joint initiatives understand the governmental requirements around financial management. Those unaccustomed to working with such systems cannot adjust to the constraints or the opportunities appropriately if they do not understand them.

Chapter 8 - The Impacts

No matter how well a collaborative and horizontal process works as a *process*, it is intended to work toward certain specified ends, including a better relationship in this case. How well did the process help the VSI to meet its intended objectives? The focus of this evaluation is on the shorter term results evident at the end of the collaborative phase, not on the longer term outcomes of the VSI. In assessing impacts to the end of the joint phase, four general questions are addressed:

> ➢ Did the process enable the VSI to accomplish its work and meet its intended objectives?
> ➢ What are seen to be the main successes and shortcomings of the process?
> ➢ To what extent has the relationship changed in the short term from what it was at the beginning of the process?
> ➢ How effective was the process and the short term outcomes seen to be by participants? Was it perceived to be worth doing?

Most of these measures are necessarily perceptions of participants. Perception are important however, as the participants will carry the experiences and the lessons of the VSI with them into future initiatives and ongoing relationships with government or with the voluntary sector.

Knowing whether the process helped to do what was intended is important, but so too is understanding of any unintended consequences, either positive or negative. In the concluding section of this chapter, the unplanned impacts are considered.

Getting the Work Done

Two obvious results-based tests of the VSI process are whether it enabled the intended work to be accomplished and whether it facilitated doing the work on schedule.

When we look at the achievements of the Joint Tables, the Collaborative Mechanisms, Working Groups and Reference Groups at the end of the first phase, most were, in fact, able to meet their goals and get the work done as intended. The status of the work of each of the Joint Tables and other components is summarized in Table 8.1. This is necessarily a general overview, particularly for some tables such as the CJT which has a large number of different projects assigned to it.

TABLE 8.1
Completion of the Work by the Joint Tables

Joint Table/Group/Mechanism	Nature of the Deliverables	Method of Delivery	Status	Timing
Joint Accord Table	Policy (Accord) Policy (Codes)	Joint Table Subcommittees	√ √	On time (Dec 2001) On time (Oct 2001)
Awareness Joint Table	Research Strategy (report)	Contract Joint Table	√ √	Late getting started Late – to be implemented by government
Capacity Joint Table	Projects	Subcommittees develop RFPs; Contract	√	Late getting started – projects completed or in progress
IM/IT Table	Research Strategy (report)	Contract Joint Table/contract	√ √	Late getting started Late (Feb 2003)
National Volunteerism Initiative Table	Research Strategy (report)	Contract Joint Table	√ √	On time On time (Dec 2001) – implemented by government
Joint Regulatory Table	Changes to T3010 form Report	Joint Table/ Government Joint Table	√ √	Ready for implementation On time
(Sector) Working Group on Financing	Research Report	Contract Working Group	√ √	On time On time
(Sector) Working Group on Advocacy	Research Discussion Paper	Contract Working Group/Secretariat	√ √	On time On time
Experts Group Non-Profit Law & Directors Liability	Research Legislation	Contract Group/Government	√ Started before VSI; in progress	On time In progress
CSGVP	National Survey Reporting	Group/Government	√ (Ongoing before VSI)	On Time; (repeated every 3 years)
Aboriginal Reference Group	Video	Contract	√	On time
Visible Minority Reference Group	Research	Contract	√	On time
(Government) Study on Funding	Research/report on extent of govt funding; Research/report on funding practices	Government Government	X √	Abandoned as not feasible On time (Used to inform Codes)
Satellite Account	Ongoing research/ annual report	Government	√	Late, scheduled for early 2004

√ = Tasks completed to stage planned.
 Sources: Data from workplans, descriptions of mandates and final reports.

Although the process enabled the components of the VSI to deliver on their work eventually, it was much slower at the front end than had been originally anticipated. Figure 8.1 shows the general pattern of the progress of the Joint Tables. It can be categorized into four periods:

- ➢ the set-up (from June to the end of October 2000);
- ➢ development of workplans (November 2000 to April 2001);
- ➢ active work and consultation (May 2001 to June 2002); and
- ➢ wrap-up (spring to October 2002).

For many projects, there is ongoing implementation beyond the joint phase of the VSI.

FIGURE 8.1
Time Line of the Work of the VSI

Year 2000							Year 2001												Year 2002									
June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct

Key markers on the timeline:
- VSI announced (June 2000)
- Tables meet for 1st (Nov 2000)
- Work plans submitted (Apr 2001)
- Last meetings of Tables (May 2002)
- Phase 1 concludes (Oct 2002)

Bars:
- **Tables Established** (June 2000 – Oct 2000)
- **Development of Workplans** (* Nov 2000 – Apr 2001)
- **Work Undertaken / Consultations** (May 2001 – June 2002)
- **Wrap up & transition** (May 2002 – Oct 2002)
- JCC Visioning Exercise (Feb/Mar 2001)
- VSSG Retreat (June 2001)
- Accord signed/CVI Announced (Aug/Sept 2001)
- Ongoing Implementation (full timeline)

(* Joint Tables met for first time between October and December) Note: this is a general description. Some Joint Tables, notably JAT moved faster than rest.

What this timeline shows it that it took some time, four or five months, to get the Joint Tables up and running from the time that the announcement was made in June 2000. There was then a

lengthy period – some 10 months – of relationship building, visioning , discussion of mandates and development of workplans. For most (with the exception of the JAT and the NVI), it took almost a year until the Joint Tables were actively undertaking work on their deliverables. When the workplans were submitted to the JCC in April 2001, most were not very concrete regarding their deliverables; they did not link activities to funding, and presented no plans for consultations. The endgame, that is the definition of concrete objectives and outcomes, was not yet in sight for most of the Joint Tables.

The slow progress set off alarm bells in both the voluntary sector and government. At a retreat in August 2001, the VSSG expressed concern that time and money were running out, that the process was not focused on results and that the broader voluntary sector was growing skeptical of the initiative. Within government, senior public servants were conveying similar concerns. The JCC and the secretariats began tracking the work and helping to move things along. Most of the Joint Tables held their last meeting in May or June of 2002, which means that in effect, most had only about 14 months to deliver on their workplans before winding down.

The lesson from this is the need to plan upfront and build into planning horizons the time required at the front end to get established and then to develop collaborative relationships so as to produce workplans. In the case of the VSI, both of these took longer than expected. The other lesson is that time is required at the back end for winding down and transition.

There were some clear differences within this pattern that are instructive. The Joint Tables that were able to get moving earlier, develop work plans and move on them more quickly tended to be those with a relatively clear vision, concrete mandate and a clear time line; they spent some but not too much time in relationship building among the team, and they had strong support from a secretariat from the beginning. Those with very broad, vague or overlapping mandates took longer to make substantial progress, which was exacerbated by the fact that they were allowed to drift for too long because the authority to intervene from the center was not clear at the start and there was no established dispute resolution mechanism.

Perceived Successes and Shortcomings of the VSI

As part of the assessment of results, it is useful to have an overview of the main successes and shortcomings of the VSI, from the perspective of the participants. As illustrated in Figures 8.2 and 8.3, participants had a lot to say on the subject of both the strengths and the weaknesses of the VSI, although some clear themes emerge.[102]

Successes

The strengths of the VSI are related to both the process and the products. Participants rated the top three successes to be:

> ➢ the creation of the Accord and the associated Codes on Funding and Policy Dialogue
> ➢ the development of greater mutual understanding and trust between the Government of Canada and the voluntary sector, and
> ➢ the commitment of participants on both sides to the process.

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[102] Participants were asked to list the three top successes and shortcomings. No attempt was made to weight whether the success or weakness was mentioned first, second or third. In terms of frequency of response, 141 successes and 140 shortcomings were mentioned.

Other outputs such as greater awareness of the voluntary sector, the Canada Volunteerism Initiative and regulatory change were all noted with lesser frequency. The focus on specific products suggests that while process matters, its ultimate success will be linked to the results it produces. The importance of a greater understanding and trust as a success illustrates the extent to which this is an important end in itself.

FIGURE 8.2

VSI Successes

Category	Frequency
Accord and Codes	27
Understanding/Trust	25
Participant Commitm	11
Awareness of VS	9
More Unified VS	7
Innovative Process	8
CVI	6
Regulatory Change	5
Political Buy In	4
Capacity Building	4
Policy Building	4
IMIT work	3
Money	
Diversity of Groups	
Knowledge/Expertise	
Good Research	

Frequency of Mention
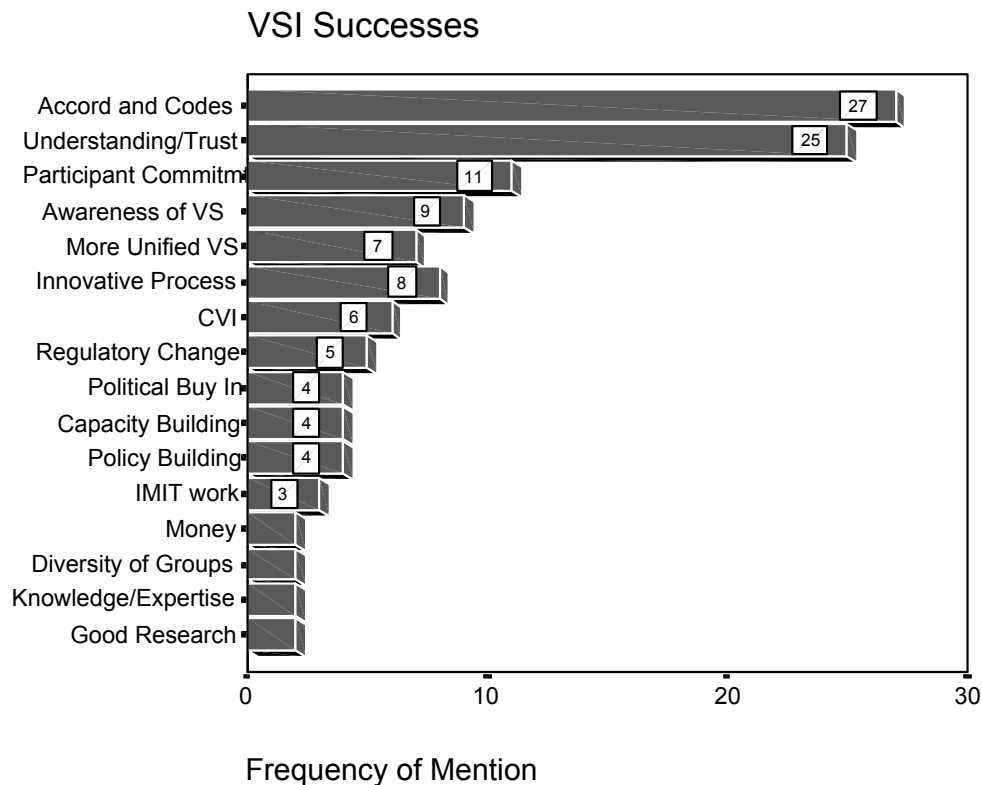
Shortcomings

By far the most serious shortcoming of the VSI in the eyes of both government and voluntary sector participants is that the process was too complex. This was followed by a series of issues that we have already touched on, including:

> ➢ the cultural divide between the two sides
> ➢ lack of accountability
> ➢ key issues were missed
> ➢ lack of leadership
> ➢ breadth of mandate, and
> ➢ turnover of participants.

The variety of shortcomings, many of which were mentioned by only a few people, is in part a reflection of the diversity of the experience of participants. Some were deeply involved in the joint aspects, others in the processes of horizontal management, some in staff roles, others as 'volunteers'. The overarching message, however, is: keep it simple.

FIGURE 8.3

VSI Weaknesses

Category	Value
Too Complex/B'cratic	22
Cultural Divide	16
Key Issues Missed	10
Accountability	8
Too Broad Mandate	7
Turnover	7
Leadership	7
Not all VS Reached	5
No Senior Lvl Buy In	5
Uncertain Future	5
Isolation of JTs	5
No Clear Results	5
Individual Agendas	4
Poor External Comms	4
No Prov. Involvement	3
VS expectations	3
Lack of Visibility	3
Poor Early Planning	3
Dept of Finance	3

Frequency of mention

# Impact on the Government-Voluntary Sector Relationship

A key objective of the VSI was to enhance the relationship between the Government of Canada and the voluntary sector. This is a long term process of which the VSI was only a beginning. Nevertheless, an important test of the process is whether at the end of two years of working together, participants felt that the relationship between the government and the voluntary sector had changed, for the better or worse, since 2000 when they began the process.

The perceived change in relationship was rated on a scale of -10 to +10, in which 0 indicated no change, and any negative number a change for the worse and any positive number a change for the better. The general view held by both sides is that the relationship was moderately better at the end of the first phase of the VSI than it had been at the beginning. As Figure 8.4 shows, only two respondents considered the relationship between the federal government and the voluntary sector had deteriorated over those two years, probably for reasons that had little to do with the VSI.

FIGURE 8.4

Change Ratings: Frequency

49 responses
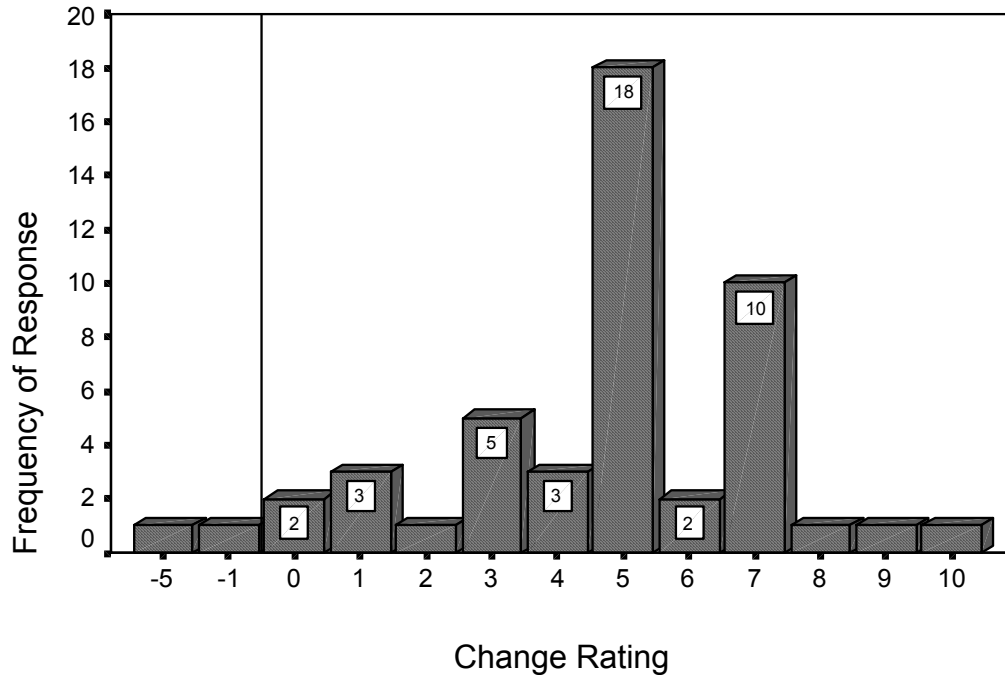
This suggests that a collaborative process which facilitates dialogue as open and honest as took place in the Joint Tables can in itself help to improve relationships.

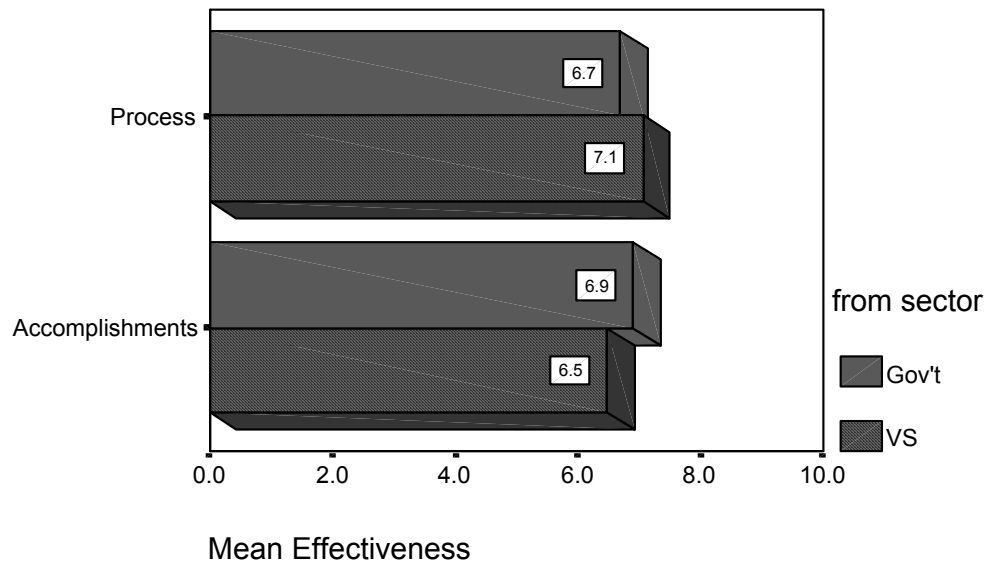## General Impressions: Was the Process Effective? Was the Effort Worth It?

The participants in the VSI were experienced senior public servants and voluntary sector executives, many of whom had had extensive experience in working in partnership. Their impressions of the effectiveness of the process and the outcomes are thus valuable measures in themselves.

Participants were asked to rate, first, how effective they believed the VSI was as a process of collaboration, and, second, how effective it has been to date in accomplishing its objectives. In general, both process and outcomes were rated as moderately effective, between 6.5 and 7 on each, with no significant differences in responses between the voluntary sector and the government respondents. Given that participants identified a number of shortcomings about the process, such high mean ratings are an important comment on the overall effectiveness of the VSI.

FIGURE 8.5

VSI Effectiveness as a Process and

in Accomplishing Objectives

48/49 responses

Mean Effectiveness

Impressions of the effectiveness of the process were probed further by asking a slightly different question that implicitly compares outcomes to effort. Was the VSI a worthwhile endeavour for:

➢ the voluntary sector?
➢ the Government of Canada?
➢ the respondents themselves, at a personal level?

The answers are a definite yes on all three counts, as shown in Figure 8.7. In particular, participants felt that they personally had benefited from the process, in terms of contacts made, understanding gained and contributions felt. The value of personal contacts and networks should not be underestimated as a result of this process. As many stated, "I would not hesitate now to call up people – and I now know them – to ask their opinion." And, the new networks did not just span across sectors, but were expanded within government and the voluntary sector as well.

Although many participants noted that the process was frequently frustrating and challenging, not a single individual indicated bluntly that he or she would rather not have been involved.

FIGURE 8.6

The VSI as a Worthwhile Endeavour

55 - 60 responses

How worthwhile?
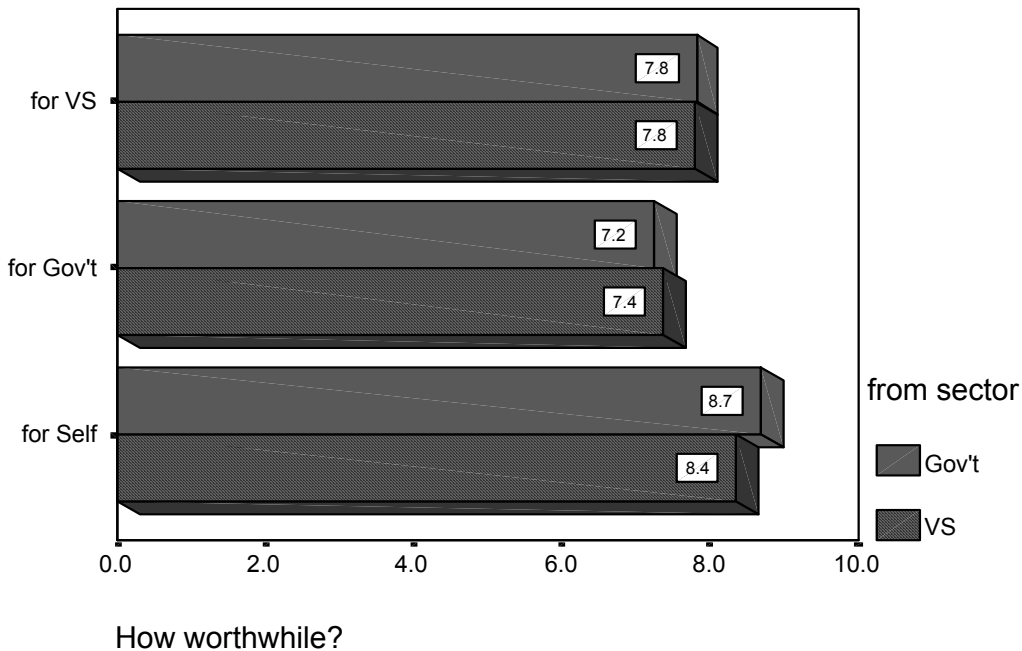
Unexpected Factors and Unintended Consequences

Unexpected Factors

Some things simply cannot be planned. So it was with the VSI. A large number of participants felt that certain factors external to the VSI had a significant effect on the process (79 percent of those who responded to this question, 36 in total). The two most important external factors, mentioned with equal frequency, were the impact of the tighter accountability regime over grants and contributions and Sept 11th (12 each). In the first instance, the general consensus was that the tightening of rules and regulations around federal funding to voluntary organizations undid or was working counter to what the VSI was trying to promote. In the second case, the event refocused government priorities and the VSI no longer seemed as important as it had been. The general downturn in the economy was also mentioned by a few (5), while several individuals noted the turnover of personnel as unexpected and detrimental (3).

Unintended Consequences

Sometimes collaborations have effects beyond what were planned, for good or bad. Participants were asked directly if any unintended consequences had emerged from the VSI. Of those who responded, 83 percent (41 in total) believed there were unexpected impacts, mainly of a positive nature. One perception was that the voluntary sector has emerged as a stronger entity, with a

more cohesive identity and, overall, greater legitimacy as a sector in Canada. Even more concretely, the VSI helped to provided momentum and capacity for several new cross-cutting, regionally-based networks. In particular, the development of the Federation of Voluntary Sector Networks and those to be created by the CVI, were identified as positive spin-offs. The Reference Groups are also continuing to work collectively to provide a voice for the Aboriginal and visible minority communities, thereby strengthening their presence within the sector.

Several negative consequences were also noted: that the VSI muffled the voice of the sector and that expectations had been raised by the VSI which risk being unmet in the future, leading to potential cynicism about the relationship. In general, however, both the planned and the unplanned impacts of the VSI were widely seen to be positive.

Conclusion

Collaboration and horizontal management take time, but as the VSI demonstrates, can achieve substantial things. The speed of progress of the VSI was slowed not by collaboration, but by the lack of concrete objectives and planning up front. A decentralized initiative of this kind needs a strong centre to track progress and intervene when needed. In a collaboration, relationship building is itself a product, and in this case was seen to be successful, at least in the short run. The issue expressed by many is whether there is enough corporate memory to institutionalize the learning from this process over time.

Chapter 9 - Lessons Learned

Introduction

One goal of this evaluation is to provide lessons learned about process for future joint initiatives involving the Government of Canada and the voluntary sector. In considering lessons learned, it must be remembered that the VSI was experimental and a testing ground in so many respects. It was about finding new ways of doing things in the relationship between government and the voluntary sector. It was not always clear, therefore, that there were well defined right and wrong ways of doing things, and the process either picked the 'right' way or it did not. Rather, decisions about key components of structure, policy and operations often had to be taken with a number of tradeoffs or competing objectives in mind and approaches had to be tried without strong historical precedent to follow.

No matter how successful the VSI is assessed to be, any future collaborative action is not likely to take exactly the same form because mandate and context, among other things, are likely to be different. Nevertheless, the VSI provides some useful guidance as to the paths to pursue and the routes to avoid for both collaboration and horizontal management.

The enduring themes and lessons discussed in this section are directed in the first instance at future opportunities involving the Government of Canada and the voluntary sector. At the same time, however, most have broader applicability to other governments and other sectors.[103]

The Value and Limits of Collaborating:

1. Working together is worth the effort.

> "The process of working together is a powerful one. Done well, it can be very powerful."
>
> Voluntary Sector Member, VSI Joint Table

The overwhelming lesson from the VSI is simply that collaboration is worthwhile. If taken seriously, working together enhances understanding and trust among the participants and sets the foundation for a better relationship over the long term. Although it may be 'messy' and time consuming, collaboration is more likely than going it alone to produce innovative results and better outcomes for all concerned.

Government and the voluntary sector may bring different resources to a collaboration and, as is often the case, government may control the money. Both sides need to understand and appreciate these differences, however, and push ahead with a joint process.

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[103] At the end of the interviews, each participant was asked to identify the most important lesson learned from the experience of the VSI for future collaborations and for horizontal management by both the government and the voluntary sector. These lessons were complied (without identifying whether the response came from a participant from government or the voluntary sector). This list was supplemented by the lessons identified by the final reports of the various components of the VSI. This composite list was then compared to the literature, discussed by the CVSRD Evaluation Team, and synthesized into the main themes discussed in this section.

2. Collaboration is not for everything.

Not all issues are best dealt with through joint processes. Collaboration, especially if it is to involve senior public servants and executive directors, may be better suited to the development of policy recommendations and priorities rather than to operational tasks involving policy implementation.

Within a collaboration some things will be joint and others separate, perhaps done by each side in parallel. While key choices around mandate, structures and substantive policy issues are appropriately joint decisions, the approval and accountability processes within government and the voluntary sector will necessarily be separate. It is important to determine and communicate when joint processes end and unilateral decision making kicks in. Once inside a collaboration, it is difficult to impose unilateral decisions without compromising underlying trust and the sense of being a genuine partnership.

There may be some particularly contentious issues that a collaboration would be better off to set aside as they will never be resolved jointly. Such issues might be better left to processes of public policy advocacy. It needs to be clear to both partners, however, which issues are on the table and which are not. If either party is unwilling to even try to address the key issues that matter to the other, then the sense that this is a genuine collaboration may be greatly diminished.

3. Accommodating difference and learning to work together takes time.

> "Working collaboratively doesn't mean being joined at the hip. It doesn't mean that everything should be done the same way or that both partners need to have exactly the same messages."
>
> Staff Member, VSI

A collaboration involves understanding cultural differences and accommodating to power imbalances to some extent. A joint process may need sufficient time to build rapport and, through dialogue, develop a common understanding of the issues and an appreciation of differences. In addition, the partners need to figure out where consistency of practice is really essential and when they might better achieve their objectives by each doing things somewhat differently. The requirement of common language for purposes of public communication may not be the most effective means of reaching different audiences.

In collaborations involving government as the partner that has put up the funding, some practices, notably around financial management and accountability, are not likely to be negotiable or very flexible. It should not be assumed that non-governmental players understand how government processes work, however. An orientation session regarding the requirements of government decision making processes and financial management would enable non-governmental participants to make better decisions about investing in staff resources or aligning work plans with the availability of funding. This may apply not only to voluntary sector representatives, but to government officials as well if they are not experienced in the relevant aspects of government systems.

4. Representation is not the same as leadership: Who is at the table needs to fit the purpose of their participation and the collaboration.

> "Regarding the identification of people, there is an inherent tension when you choose people based on representation sometimes at the cost of leadership. These two imperatives – representation and leadership – created a tension within the VSI and yet overcoming this tension is never easy because both are desirable."
>
> Voluntary Sector Member, VSI Joint Table

In collaborations that are intended to involve the voluntary sector *as a sector,* a challenge is how to adequately represent this diverse sector. A key lesson from the VSI is that representation is not the same as leadership. Indeed, there are three dimensions that need to be considered in determining who will participate in a joint initiative, how, and to what end. The first is representation (speaking on behalf of a constituency); the second is reflection (being able to mirror the diversity of the relevant sector or constituencies); and the third is leadership (having the experience, knowledge and capacity to solve problems and develop policy or programs). When the goal is to ensure that the full spectrum of perspectives from a community or sector are heard, then a model that brings together individuals from a broad cross-section of that community or sector probably works well. If the goal is also to undertake serious policy work, then more consideration needs to be given to ensuring that the participants have the relevant experience and knowledge, ability to network with their constituencies and means of being accountable to them. In the latter case, taking into account the nature of organizational affiliation and the infrastructure associated with it may help to bring greater leadership capacity to the table.

In addition, broader outreach and engagement helps to create a more informed process with a wider base of support. There remains an ongoing need within the sector to build sustainable leadership and better networks to support such engagement.

The representation of government departments in a collaborative exercise is often an easier choice. Who public servants are actually expected to represent may need to be clarified for them, however. It was assumed in the VSI that government officials could manage to wear three separate hats simultaneously: as individuals; as representatives of their departments and as representatives of the Government of Canada as a whole, leaving departmental agendas aside. Most successfully negotiated all of these and did so with enormous professionalism, but many also experienced significant personal challenges and role conflict in the process.

5. Collaboration may create a paradox between working on the inside and the outside.

There are considerable advantages and much to be gained for the voluntary sector by working collaboratively with government. If the voluntary sector's leaders are so consumed with the workload or if they fear risking the gains being made through the joint process, however, they may at least temporarily give up their policy voice on matters that fall outside of the collaboration. On the other hand, if government assumes that all contested issues will necessarily be channelled through the framework of the collaboration and if ministers do not meet with sector leaders directly, it may, in effect, be taking away the sector's policy voice.

How to balance working on the inside as a partner and on the outside as an advocate is an important issue of strategy for the voluntary sector when involved in collaborations with governments. Finding the right balance depends, in part, on having strong collective leadership so that the voluntary sector knows its own agenda and, in part, on having realistic expectations about what is possible through a joint process. It also relies on an understanding by both sector and government officials that not all issues may be successfully resolved within the framework of a joint initiative, and thus channels need to remain open for discussions outside of that process.

The Challenges of Horizontal Management:

1. A decentralized process needs a coordinating centre and a strong governance model.

> "We need to be clear about the roles of each actor involved and be very clear about who will be making decisions. In the VSI, we had the structures, but we should have asked ourselves these questions at the outset."
>
> Government Staff, VSI

In a decentralized initiative there needs to be a centre with clearly defined roles and authorities that has the legitimacy and the levers to provide coordination, oversight, information tracking, intervention and dispute resolution as needed. And, this role needs to be understood by the other components. How the centre is connected to the separate components so that there is good two-way flow of information is an important design issue. One approach, not followed in the VSI, is that the chairs of the decentralized components constitute the central coordinating mechanism. The downside of this approach is that it is likely to be demanding on the participants who will do double duty. If the centre is itself a joint undertaking, it could benefit from being in place before the work of the other components begins so that it has time to develop its own working relationships.

> "Jointness means more transparency and accountability."
>
> Voluntary Sector Staff, VSI

When a process is both decentralized *and* joint, the importance of articulating the governance model before work begins is even more essential. Effective and clear mechanisms for governance and accountability are needed within the collaboration, and to connect the collaborative process to decision making within government and within the voluntary sector.

The location within government of the central authority and secretariat support for a horizontal initiative matters. Tradeoffs are involved between a home in a central agency and a line department. The home of the initiative in a central agency helps to keep the process as connected as possible to the political level, as well as getting the attention of departmental officials. The current central agency machinery is not particularly well suited to managing the funds associated with such initiatives, however. The VSI experience suggests that either review of the central agency machinery or identifying ways to replicate its political advantages in line departments would be helpful in planning for future horizontal undertakings.

2. The structure should be as simple as possible.

> "Define the breadth of issues that we can move on and what is important for both parties. Build trust in the structure to manage those relationships by keeping the structure and accountability as simple as possible."
>
> Government Member, VSI Joint Table

More structure means more process and greater complexity. In general, most participants said that the VSI was too complex – that it got bogged down in bureaucracy. A great deal of the complexity comes in how to hold, disperse and account for the money. A centralized program or other means of managing the finances may be more efficient, but it may provide few incentives for departments to maintain active involvement. The tradeoff between decentralization (the involvement of many independent, autonomous players) and efficiency (in moving the process and decisions along) needs to be considered as a central design question. By staffing the various decentralized components with appropriately senior positions might help prevent bureaucracy from taking over. Better mechanisms for coordination and communication within the collaboration might enhance the learning process.

3. Senior management needs to provide incentives and recognition for horizontal management.

> "When we think of the system of government, it goes against these horizontal initiatives because at the end of the day my Minister has to defend the initiative – no one else does and so my job is to protect him, to defend him… I think it would be useful to free the people who work on this in order to give it the importance it is due. It requires a change of culture. It needs the support and it needs to find the mechanisms so that it stays with us."
>
> Government Co-Chair, VSI Joint Table

As one of the government co-chairs of a Joint Table noted, "The VSI was a schizophrenic process where some government officials had to take personal time to participate while others had supportive bosses." When senior management in a department does not see the value of the time that a public servant is putting into a horizontal process, it is often difficult for that individual to remain committed to it. Ongoing commitment to horizontal management within the Government of Canada requires support and recognition by senior management of those who undertake it.

The Importance of Planning:

1. Upfront planning is critical.

Serious attention to structural design and the nature of roles and responsibilities assigned to various components needs to occur upfront. In a process that is to be collaborative, this should be the subject of joint discussions. In particular, a distinction needs to be made between processes designed for policy development and those intended to deal with operational matters, that is, with the implementation of policies or programs involving expenditures of money. The kinds of structures and process that work in the first instance may not be well suited to the second.

2. Plan for results: There needs to be an 'End Game' in sight, and a balance between process and outcomes.

> "There was no sense even half way through of the end game, and how we can deliver results… Get it together at the beginning."
>
> Member, ADM Committee

Participants' reflections on the VSI suggest that it was not focused enough at the beginning on outcomes. At the start, no one defined what success would look like. Eventually, visioning exercises were undertaken and tracking of progress-to-plans put in place, both of which were extremely useful but came late in the process.

Planning for results also entails balancing outcomes and process. Process is important, but it is not enough. As the VSI experience demonstrates, process *does* matter and that there needs to be sufficient time for the process to unfold and for people to learn to work together. The time it takes for such relationship building needs to be built into overall planning horizons and into the budget so that money is not lapsed during the early stages if these preliminary tasks take longer than anticipated.

3. How big a mandate in how long a time frame is an important strategic choice.

> "Be selective and strategic in what you do and focus on a sustainable collaborative approach rather than getting everything done in two years which led to exhaustion among VSI members. In reality, it is systemic changes rather than band-aid program changes that will have the most impact and will be the legacy of any collaborative model."
>
> Voluntary Sector Member, VSI Joint Table

Being strategic about goals and about what can realistically be accomplished in a given time frame is a recurring theme from the VSI. Participants generally agreed that the VSI took on a very broad mandate, without clear priorities, although they were somewhat divided on whether the mandate was too broad, given the context. There is a balance to be struck between breadth of mandate and time frame. On the one hand, it is desirable to achieve as much as possible while there is political support. On the other hand, if political attention wanes before the mandate is completed, the initiative is likely to run into difficulty. The time frame needs to be long enough to achieve the mandate, but not so long as to lose political support.

Whether the mandate is narrow or broad, it needs to be transparent and communicated to all the participants. Serious problems arise when the mandate is not wholly transparent, by being laid out only in an MC for instance.

It may also be desirable within a collaborative process to have some flexibility in the mandate so as to enable the partners to address emerging issues. Because government normally faces more constraints in the means and terms of establishing its mandates, building in flexibility is inherently more challenging for it. Again, joint determination of and communication about what is possible (and what is not) is key.

4. The time commitment required on the part of participants needs to be realistic and communicated at the beginning.

> "You cannot use this process very often because of the demands on time of senior level people. It is unrealistic to come to the tables without understanding that they are senior people out there."
>
> <div align="right">Member, ADM Committee</div>

Thinking through what process will work for what kinds of goals is particularly important when the collaboration is going to involve senior public servants or executive directors from the voluntary sector. How much time they can give and how best to use their time – through what means – becomes critical. As part of the wise use of their time, being realistic about the information load, which can be voluminous when various departments are all contributing information and providing adequate lead time to read documents is important.

Supporting the Process and Maintaining Momentum:

1. Secretariat support is vital.

In the VSI, there was a direct correlation between the support of a strong secretariat, in place from the beginning, and how quickly and effectively a Joint Table was able to get on with its work. The secretariats were particularly effective when the types of skills and seniority of positions matched the working styles of the Joint Tables and when the relationships among the secretariat, the Joint Table and the department were clearly defined. In providing secretariat support to a collaborative mechanism that works, in effect, like a policy board, the equivalent of an executive director may be needed. Consideration also needs to be given to whether the primarily role of staff will be to focus on process (preparing for meetings and coordinating information focus, for example) or to function in a policy analysis capacity. If the latter function is required, sufficient staff will be required to ensure that serving the process does not overwhelm the policy analysis role.

A separate secretariat for the voluntary sector was an important innovation of the VSI and, while it added to the complexities of horizontal management, it greatly increased the capacity of the sector to participate fully in the process.

Given the high levels of mobility within the public service and the temporary nature of most collaborative initiatives, maintaining continuity of staff may be a challenge and staffing mechanisms should provide for as much continuity of possible. In a decentralized process, information sharing and opportunity for learning among disparate secretariats may contribute to an overall synergy.

2. Leaders need to be selected, and grown.

It is a platitude to say that leadership matters, but this is one of the clear lessons from the VSI. To enable leaders to emerge, the participants, especially co-chairs of collaborations, need to have the right set of skills, appropriate interpersonal styles, know how to move things through the policy system, and be able to build support more broadly across government or the voluntary sector. It is interesting to note that some of the real leaders who emerged in the VSI did not

come from the AMD ranks, but from Director General levels. It was not their seniority, but their deep commitment and willingness to take some risks that made them stand out.

3. Political support needs to be managed and the DM Community engaged.

> "We had the attention of ministers and I don't think we used that attention. You need to really be prepared to feed them and give them things that they can be involved in. The VSI was more research than action. You need to give them things that bring action and brings their departments along to respond."
>
> Government Co-Chair, VSI Joint Table

One of the things that the VSI did particularly well was to recognize opportunity – an open policy window – when it arose in the first place. This in part explains why some of the structures and processes of the VSI were not fully thought out before it was launched: it had to be pushed through the window while it was still open. As one experienced public servant told us: "You have to go when the window of opportunity is open. You have to do that, but it does not necessarily made for good policy."

Once launched, the VSI appeared to have support from the political level, but it did not use it very well as there were few points at which ministers were actively engaged in making decisions. In addition, the absence of meetings between ministers and the voluntary sector leaders was a disappointment to the latter, and at times led to questions about the actual level of political support.

Involvement of Deputy Ministers is also important, but was almost completely absent in the case of the VSI. The reasons were that there were few decision points that commanded their attention, nor was it directed from the ministerial level or the political centre. Without the direct involvement and accountability of the DMs, the governance structure can become ambiguous. Consequently, ADMs who participate in formulating joint recommendations may be left in a difficult situation of being second guessed when governmental approval processes take over.

Under the best circumstances, political support can seldom be maintained indefinitely. There is a tradeoff between having long enough to get the work done and maintaining interest of ministers and DMs. Two years seemed to many, particularly in government, to be pushing the limit.

4. Sustained participation presents dual challenges of turnover and capacity.

Continuity of people and regular participation helps to build relationships of trust and maintain momentum in getting the work done. Participation in an intensive initiative lasting for any significant period presents challenges, albeit different ones, for public servants and executives from voluntary sector organizations. On the government side, there is less likely to be continuity of participation over time, due largely to high levels of mobility in the public service, and less frequent attendance due to lack of control over their schedules. The longer the time frame, the higher will be the change in membership. The more senior the participants, the more likely that irregular attendance will be an issue.

For the voluntary sector, the main issue is the capacity of the home organization to operate with an Executive Director absent for periods of time. These challenges needs to be considered in how collaborative processes are designed and how participants in them are selected, recognized and compensated. While it is easy to articulate the nature of the challenge, there appear to be few easy fixes for it.

5. Secrecy and confidentiality can get in the way of relationship building in joint processes; traditions can be relaxed.

In joint processes, public servants often face the challenge of knowing precisely what can be shared with non-governmental participants and what is confidential. Once expectations of an open process are created, changes in direction may create suspicion. The VSI showed that conventional levels of secrecy in the cabinet approval process can be relaxed. This was done through the use of an Aide Mémoire rather than an MC, by allowing members of the voluntary sector to brief cabinet, and by sharing information regarding the government's planned allocations. The openness of many senior public servants on the Joint Tables was appreciated by their voluntary sector counterparts and they, in turn, treated sensitive information with respect.

6. Transition to the next stage needs to be planned early and continuity provided through the transition process.

Collaborative and horizontal processes are by nature temporary, designed to accomplish certain things and then wind down. Reducing uncertainty in the transition to the next stage is important to maintaining commitment and momentum. A successful transition can be aided by determining and communicating as early as possible the nature of the machinery and the funding that will support the work in the next phase. In addition, secretariat support throughout the entire transition helps to facilitate a smoother hand off. This implies that the budget has allocated funding for secretariat support in a manner that allows it to bridge the first and second phases, rather than simply to the end date of the first phase.

Financial Management and Transparency:

1. Funding needs to match the nature of the work.

In getting funding approval for new collaborative or horizontal initiatives in government, funding envelopes usually need to be established before the nature of the work may be fully evident. In a joint process, the amount of time that is required up front to set up the requisite collaborative and supporting mechanisms or to undertake relationship building can easily be under estimated. A certain degree of flexibility to move funding across fiscal years and across components may thus be desirable in multi-year, multi-faceted initiatives.

2. Decentralization reduces the transparency of financial management, making the need for agreed upon means of reporting and tracking essential.

The complexity of a decentralized structure may hinder transparency of financial management, particularly if there are no incentives or requirements on departments to report on their spending to a central coordinating body. Financial transparency could be increased in several ways. An initial memo of understanding would help to ensure that departments report on financial expenditures to a central body in a timely manner. A common system for financial tracking and common methods of reporting expenditures would enable the centre to get an ongoing and comprehensive picture of spending. A central program with a sunset clause to manage all of an initiative's money may simplify the process, but may have its own disadvantages in requiring time upfront to be established.

The development of a financial instrument that is more flexible than the standard contribution agreement or contract would make it easier to flow funding to non-governmental parties in a timely manner, particularly for work on unfolding projects in which not all of the deliverables and outcomes are known at the start.

Engaging Broader Communities

1. Engaging broader communities helps the process stay grounded and facilitates learning.

The process of consulting with and engaging broader constituencies was an important aspect of the learning process of the VSI. The voluntary sector participants at the tables could not have claimed much credibility that they could, in fact, speak for the sector as a whole had the process not actively engaged a diversity of communities. The engagement process appeared to work most effectively when the communities involved felt a sense of ownership over it and when it was taken on board by them for their own future. The value of working through multiple routes of engagement was clearly demonstrated by the VSI. This meant use of a variety of mechanisms (such as consultations, reference groups and the website), working with host organizations that had good local knowledge and networks, reaching out to different sets of leaders and participants, particularly from hard-to-reach populations, and hosting consultation in various locales.

It is also evident that effective engagement takes time, dedicated staff resources, coordination and good information provided well in advance so that participants have time to read, discuss and react to it. An initiative that tries to roll out engagement at a national scale not only requires more time, but is likely to reach a point at which its core communities feel fully and adequately engaged, while those more distant (either by geography, knowledge or interest) may only be learning about it. Consequently, the latter may feel that the process is coming to an end just as they are gearing up to participate. The purpose of community engagement and how it will inform decision making thus needs to be considered and planned early on, including a vision of how far engagement should extend, and when it has extended far enough.

It is obvious that government departments will want and need to engage with voluntary organizations and perhaps with the sector as a whole at various times around many different topics over the coming years. These should not be considered one-off events repeated over and over again. A more sustainable approach would be to consider what kinds of longer term investments might equip communities, their organizations and members to engage more effectively. It appears that the kinds of investments that could pay of in the longer run are helping the sector to build its network capital, its knowledge about policy processes and its ability to use technology for purposes of communication.

Looking to the Future:

1. The way is which individual learning is transformed into institutionalized practice is a lasting legacy.

The need to create institutionalized means for building a better relationship between the voluntary sector and government was one of the most frequently mentioned lessons learned from this Initiative. The VSI was just the beginning of such a process, not the end. In this context,

participants talked both about "mechanisms to better the relationship" and ways to "transfer knowledge to people outside of the joint process."

What this process evaluation suggests is that this transformation entails several stages:

- ➢ **Reflecting** at a personal level, on what was learned and what it means for a participant's own behaviour and that of his or her organization.
- ➢ **Sharing** the knowledge acquired with others through a variety of means such as written case studies, memos, dialogue sessions and informal chats with colleagues.
- ➢ **Entrenching** what was learned into better practice. This may involve establishing new processes and procedures, creating ongoing means of dialogue, or creating new machinery to affect changes in behaviour and to continue relationship building.
- ➢ **Extending** the learning process and expanding the spheres of influence. This takes champions who can promote interest in continuing to work together and who can help colleagues implement the practices of what was already learned.
- ➢ **Being accountable** to relevant stakeholders and the broader public for how practices have changed and taking responsibility when agreed upon changes in practice do not occur.

The VSI demonstrated that the real challenge of transforming individual into institutional learning comes in moving from stage two to three, from sharing to entrenching. Both government and voluntary sector participants learned a great deal and developed a better understanding of the other partner by working together. To varying degrees, what was learned was transmitted to others, through informal discussions and through more formal ones such as this evaluation. One of the challenges in institutionalizing what was learned arises simply from the high levels of mobility in the public service. There appears to be no easy solution to this other than encouraging people to document their experiences and reflections, to pass this on to their successors and carry it forward into new positions.

The VSI process has put in place the machinery that could facilitate entrenchment and accountability. Whether these mechanisms will be effective in the short term in maintaining the momentum through the completion of the VSI and in the longer term in building a stronger relationship remains an open question at this stage.

Conclusion

If one were to read this report backwards, starting with the discussion of lessons learned and impacts, it would be evident that the VSI could be regarded as quite successful. It is seen to have been a worthwhile undertaking that is having a positive effect on the relationship between the Government of Canada and the voluntary sector and that has produced a number of valuable projects. When we look further back to the process and the parameters that supported it, there were obviously some very constructive aspects to the VSI. In particular, the initiative was adequately resourced, and the Joint Table model facilitated open and frank dialogue between government and voluntary sector representatives. In general, there were very high levels of personal commitment and the broader voluntary sector was engaged. In addition, the process found means of learning and adapting as it went along, resulting in more effective leadership and accountability and better ways of managing conflict toward the end of the process.

As we look more closely, however, a number of shortcomings emerge, including a highly complex structure, unclear lines of accountability, a broad mandate in a short time frame, constraints imposed by the systems of financial management, a lack of continuity of participation, and poor planning for the transition to the next phase.

It was said by participants in the course of this evaluation that the VSI succeeded to the extent that it did in spite of itself. Perhaps this is too harsh a judgment, although there is some measure of truth in this. Throughout this report, we have attempted to show that the VSI faced a number of challenges and tradeoffs, the solutions to which were not always readily transparent nor the consequences certain. Rather, paths had to be explored and new approaches tried and evaluated. In taking so many first steps, the VSI provides important lessons for future collaborations between the Government of Canada and the voluntary sector.

Appendix A - Sources of Evidence: Document Review and the Interview Process

Document Review

The documents analyzed as part of the evaluation include, among others:

> ➢ Minutes of meetings of the Joint Tables, ADM Committees, Voluntary Sector Steering Group and the Voluntary Sector Roundtable
> ➢ VSI Website
> ➢ Work Plans, Progress-to-Date Reports, and Final Reports prepared by of the Joint Tables, VSTF and VSIS
> ➢ Documents prepared by or for the Joint Tables and Secretariats in the course of their work.
> ➢ Email correspondence (not complete)
> ➢ Financial reports.

The documents reviewed by the CVSRD Evaluation Team were compared with the document map developed for the VSI to determine that no significant pieces of information have been omitted.

The Interview Process

Selection of Participants

The selection of participants was not random; rather, it attempted to cover all of the components of the VSI and hear from those who were most actively involved. A number of factors have been taken into account in the selection of VSI participants to be interviewed:

> ➢ A balance of government and voluntary sector participation
> ➢ Degree of involvement of individuals. To the extent possible, names have been drawn based on frequency of participation in the relevant structure (as determined by attendance at meetings as indicated in minutes, when available).
> ➢ Representation within each sector from different regions and types of organizations.
> ➢ Inclusion of individuals who may have particularly helpful insights based on their experience or timing of their involvement.

It should be noted that some participants were involved in more than one capacity (such as a member of a Joint Table and a member of the ADM Executive/Steering Committees or the VSSG). In these cases, the participant was asked about his or her involvement in all of the relevant roles.

The Interview Process

The general approach used to the interviewing process was as follows:

> ➢ An Evaluation Framework was developed by the CVSRD Evaluation Team and approved by the VSI Evaluation Steering Committee;
> ➢ Approval was obtained from the Carleton University Committee for Research with Human Subjects;
> ➢ Potential participants were contacted by email, letter and phone;
> ➢ Interview protocols were customized for use with different sets of participants (e.g. somewhat different protocols were used for Joint Table members than for secretariat staff etc.). With a few exceptions, most protocols included a common set of core questions covering the key aspects of the VSI, as well as more specific questions about the relevant component in which the respondent participated;
> ➢ Interviews were conducted by members of the CVSRD Evaluation Team and were done in person for most of the participants located in the National Capital Region and Toronto and by phone for those located elsewhere; and were conducted in the official language of choice of the participant;
> ➢ As per the requirement of the Carleton University Ethics Committee, all participants were asked to sign an Informed Consent Form before the interview began (in the one case in which the participant had some hesitation about allowing the data to be used, it was withheld from data analysis);

The VSI participants were very receptive to being part of the VSI process evaluation, with the result that we obtained 87 percent of the interviews requested. Virtually all of the key actors in the VSI, including the co-chairs, staff of the VSTF and VSIS and the table secretariats, and the VSSG and ADM Committees, participated in the interviews. Although we had planned to interview regional staff of federal government departments who had not been members of Joint Tables or other mechanisms, this proved difficult. For the most part, the senior public servants in the regions whom we contacted felt that their involvement had been so peripheral to the VSI that they would be of limited assistance to the evaluation, and thus this group is not included in the analysis. As we anticipated, the busy schedules of ministers limited their participation.

Data analysis was conducted in two ways: quantitative analysis of the core set of questions and qualitative analysis of specific VSI components was first developed by individual team members. These qualitative analyses were then synthesized and analyzed collectively by the team, to draw out recurring themes and identify key lessons learned. This dual stage, multiple analyst approach helps minimize the influence of any preconceptions on the part of a single evaluator.

Reporting of Interview Results

The quantitative aspects of this report are based on 90 of the 102 interviews (90 percent). In the core quantitative analysis, data are not included from participants who had a very limited experience with a narrow slice of the process (such as representatives of the voluntary organizations which hosted consultations) because they felt that they had too could not comment on the effectiveness of the VSI as a whole. Their responses are included, however, in the qualitative analyses.

The analysis has tried to capture both assessments of the VSI overall, based on a common set of questions posed to all participants, but it had also attempted to provide a depth of analysis of each of the major components of the process. In reporting on the core questions, quantitative analysis based on reasonably large numbers (greater than 50) was possible. But, it is also the case that because the VSI process was so decentralized, focused on relatively autonomous Joint Tables, working groups and mechanisms, participants naturally experienced some parts and specific processes of the VSI more intensely than others. So, even in the common set of questions, participants frequently indicated that they did not have enough experience with a particular aspect to provide a knowledgeable response. In addition, we ran into time constraints in some interviews, so that some questions had to be skipped. Therefore, even in the core quantitative analysis, the number of responses seldom add up to the total number of interviews conducted and the number of individual responses included in any given summary varies depending on the question.

When we look at Joint Tables or secretariats or certain activities of the VSI, a more qualitative approach is taken and it makes little sense to base the analyses on numbers of responses as the numbers are necessarily small. Even in the qualitative parts of the analysis, however, we have been very careful to ensure that the self-assessments reported are not idiosyncratic or the self-imposed judgments of the Evaluation Team, but have been cross validated by the views of at least several participants.

Our agreement with participants was that they would not be identified by name or position, so no attributed quotes are used.

Demographics/Sample Characteristics - Roles

In all, of the 90 cases analyzed, the respondents were well distributed across all of the major components of the VSI (except SIDPD which is not part of this evaluation), and some are associated with more than one. The figure below provides an overview of the primary and secondary roles of the VSI participants interviewed and shows that members from all the main bodies were included.

FIGURE A.1

Distribution of Interviewees
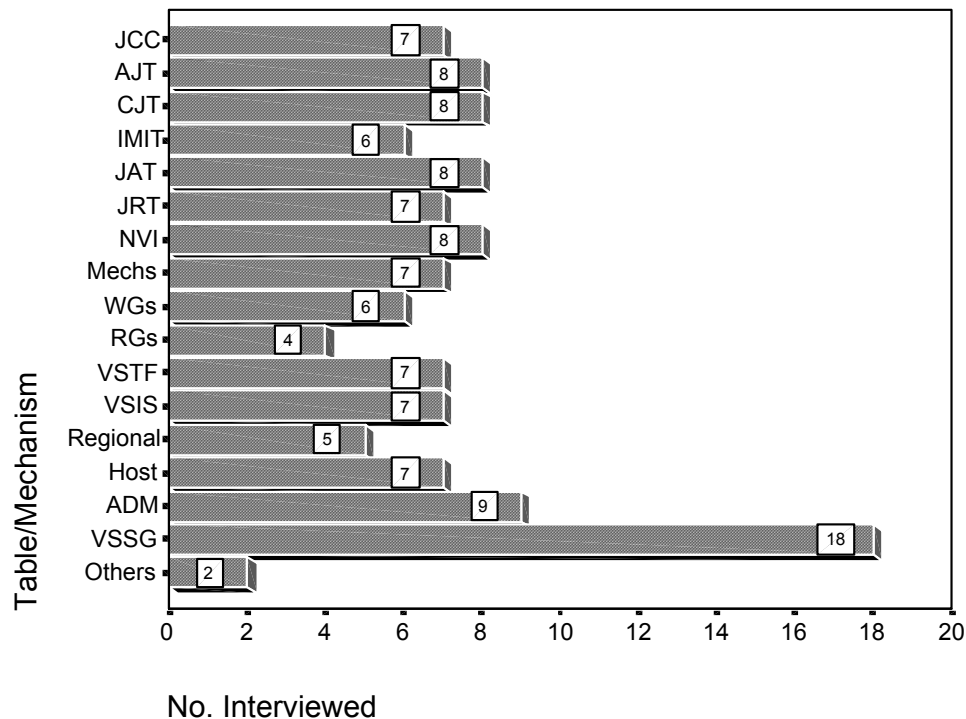
Note: The numbers for the Joint Tables and Working Groups include co-chairs, members and staff. The number of participants for the VSSG is large because it includes voluntary sector co-chairs and representatives of the Working Groups and Reference Groups; most of whom are also included under their relevant Joint Table or other group. The numbers for the JCC and JAT are lower because their staff are counted under the VSTF and VSIS.

Voluntary Sector or Federal Government Affiliation

Of the 90 respondents, 54.4 percent identified themselves as from the voluntary sector, while 46.6 percent identified themselves as Government of Canada employees.

Interview Times and Dates

Interviews for the respondents took, on average, just over 82 minutes, ranging from a minimum of 30 minutes to a maximum of just under 3 hours. No significant difference was evident between the length of interviews conducted with government representatives when compared with those with voluntary sector representatives