Voluntary Sector Initiative

The Journey
Continues

The Second Report to Canadians
on Implementing An Accord
Between the Government of Canada
and the Voluntary Sector

Report of the Joint Steering Committee
December 2004

Voluntary Sector

Canada

Table of Contents

Message from the Joint Steering Committee

Through its support of the Voluntary Sector Initiative (VSI), the Government of Canada has made clear the value it places on a strong working relationship with the voluntary sector. In fact, the voluntary sector is an essential partner in achieving the federal government's goals of increasing citizen engagement and building vibrant, innovative and sustainable communities across Canada.

One of the key outputs of the VSI, *An Accord Between the Government of Canada and the Voluntary Sector* sets out the values and principles to guide the evolving relationship between the federal government and the voluntary sector. On a more practical level, the Codes of Good Practice on Funding and Policy Dialogue provide tangible, concrete ideas about how to bring the Accord to life and make its provisions part of the way the sectors "do business" together.

The Accord commits the two sectors to report annually to Canadians on their progress. As the second formal accounting since the Accord was signed, this report describes some of the highlights of the past year, from October 2003 to

MEMBERSHIP

- Susan Scotti, Social Development Canada (Co-chair)
- Monica Patten, Community Foundations of Canada (Co-chair)
- Yvonne Atwell, Atlantic Centre of Excellence for Women's Health
- Darlene Bessey, YWCA of Canada
- Scott Broughton, Health Canada
- Mary Carman, Industry Canada
- Gordon Floyd, Children's Mental Health Ontario
- Marcel Lauzière, Canadian Council on Social Development
- Bill McCloskey/Stephen Rigby, Canada Revenue Agency
- Eileen Sarkar, Canadian Heritage (former Co-chair)
- Shauna Sylvester, IMPACS
- Richard Barnabé/Mike Sheridan, Statistics Canada
- Marie-Josée Thivierge/ Andrew Treusch, Human Resources and Skills Development Canada
- Charlotte Thibault, Fondation canadienne des femmes, Montréal

September 2004. A number of changes took place during this period, including the transfer of the federal government VSI lead from Canadian Heritage to the new department of Social Development Canada (SDC) in December 2003. This, and other changes, presented challenges as SDC and the voluntary sector moved forward on implementing the Accord's commitments.

Many of last year's initiatives built on tools and approaches developed during the previous year. For example, the two sectors went out on the road to pilot test, adapt and deliver new training programs and materials aimed at promoting closer links between the government and the voluntary sector. They also collaborated on initiatives for sharing good practices that reinforce the spirit and intent of the Accord and Codes.

Notwithstanding these achievements, a great deal remains to be done to realize the Accord's vision. The Government of Canada and the voluntary sector are agreed on the need and potential for the voluntary sector to continue to be a strong and active partner in the development of public policy, in delivering programs and services that benefit Canadians, in engaging citizens and in providing knowledge and information. The February 2004 Speech from the Throne pledged the federal government's continued support to advance the VSI. Subsequently, the 2004 Budget announced funding until March 2006 to continue the work of the VSI.

Looking ahead, both sectors will continue efforts to realize the potential and vision of the Accord and Codes of Good Practice as we build a strong and enduring relationship for the benefit of Canadians.

Monica Patten
Co-Chair

Susan Scotti
Co-Chair

A. Some Context

When *An Accord Between the Government of Canada and the Voluntary Sector* was signed in December 2001, it committed the two sectors to reporting annually on their progress in implementing the Accord. This section of the report sets the context for the current reporting period (October 2003 to September 2004) by providing essential background information about the Voluntary Sector Initiative and the Accord and Codes of Good Practice, as well as some key facts about Canada's voluntary sector.

The Voluntary Sector Initiative (VSI)

In June 2000, the federal government announced the VSI, a $94.6 million joint venture with the voluntary sector. An innovative approach to enhancing the two sectors' relationship, the VSI brought together more than 125 representatives of both sectors to work together in key areas, including:

- developing a framework agreement or accord
- strengthening the voluntary sector's capacity
- streamlining regulations affecting the voluntary sector
- enhancing knowledge about the voluntary sector and its contribution to Canadian society
- proposing a new approach to financing the voluntary sector that is long-term and sustainable
- promoting and supporting volunteerism

CANADA'S VOLUNTARY SECTOR

A significant social and economic force in the country, the voluntary sector works with the government and the private sector to enhance quality of life for Canadians. The sector includes a wide array of groups and organizations – ranging from large advocacy coalitions and international aid organizations to local food banks and recreational organizations. A significant and growing presence in Canadian communities, the sector:

- employs approximately 2 million people, including hospitals, universities and colleges
- includes more than 161,000 nonprofit and voluntary sector organizations
- draws on two billion volunteer hours (the equivalent of one million full-time jobs)

(Source: National Survey of Nonprofit and Voluntary Organizations 2004)

The VSI reinforced the important role the voluntary sector plays in Canadian society. Not only does the voluntary sector contribute substantially to the country's social and economic well being (see box, page 4), its organizations are uniquely positioned to hear the voices of Canadians, particularly those of marginalized groups.

Now nearing the end of its mandate, the VSI has made substantial progress, advancing its goals in many of the areas identified as priorities by both the government and the voluntary sector. However, work remains to be done to ensure that the many accomplishments of the VSI are fully integrated into voluntary sector-government relations.

More about the Accord and Codes of Good Practice on Funding and Policy Dialogue

A primary focus of the VSI has been the development of a framework agreement articulating the vision and principles that would guide the renewed relationship between the two sectors. *An Accord Between the Government of Canada and the Voluntary Sector* was the product of a joint table comprised of leaders from the federal government and the voluntary sector. A landmark agreement, the Accord identifies common values and principles for the sectors' working relationship (see box, page 6) and commits each sector to building that relationship.

The Accord calls for organizational structures, processes and tools to help government departments and agencies, and voluntary sector organizations implement its provisions. Two of these tools – the Codes of Good Practice – set out practical measures to support the sectors' progress in the areas of funding and policy dialogue.

- An acknowledgement of the need to increase the voluntary sector's sustainable capacity, *A Code of Good Practice on Funding* identifies specific measures to enhance the flexibility, responsiveness and consistency of funding arrangements between the two sectors.

- *A Code of Good Practice on Policy Dialogue* recognizes the voluntary sector's crucial role as a channel to engage citizens in the public policy process, particularly those from unheard and minority groups. It identifies a range of best practices aimed at deepening the dialogue between government departments and agencies and voluntary sector organizations and, ultimately, improving public policies.

ACCORD FUNDAMENTALS

The Accord sets out shared values and principles to guide the sectors' evolving relationship:

Values:

- democracy
- active citizenship
- equality
- diversity
- inclusion
- social justice

Principles:

- independence
- interdependence
- dialogue
- co-operation and collaboration
- accountability to Canadians

THE VSI – AN UPDATE

"The voluntary sector and the millions of Canadian volunteers are essential contributors to the quality, fairness and vitality of our communities. The Government will continue to advance the Voluntary Sector Initiative, to strengthen the capacity and voice of philanthropic and charitable organizations and to mobilize volunteers."

<div align="right">Excerpt from the Speech from the Throne, February 2, 2004</div>

A renewed commitment

In the February 2004 Speech from the Throne, the Government of Canada identified 'strengthening the country's social foundations' as one of four priorities for action in the upcoming Parliament. This pledge was reinforced in the 2004 Budget, which allocated $6 million over two years to support a renewed commitment to advancing dialogue and collaboration between the government and the voluntary sector through the VSI.

Evaluating the VSI

When the VSI was launched in June 2000, both sectors made a commitment to capture what would be learned over the next five year period. Part of this commitment was to conduct a formal evaluation of the VSI, including its processes and outcomes, to be overseen by a joint committee. The VSI process evaluation, which involved an extensive document review and more than 100 in-depth interviews, was completed in March 2004. The findings can be found on the VSI website at **www.vsi–isbc.ca**.

A key element of the VSI, the *Sectoral Involvement in Departmental Policy Development (SIDPD)* was designed to enhance the voluntary sector's capacity to participate in policy development by exploring how to involve voluntary sector stakeholders in all phases of the public policy process. A formative evaluation of SIDPD, completed in March 2004, points to some important lessons learned to help implement the *Code of Good Practice on Policy Dialogue*. The evaluation findings are posted at **www.vsi–isbc.ca**.

The VSI Joint Evaluation Steering Committee has begun its work on a final outcome evaluation of all components of the VSI.

Increasing knowledge about the voluntary sector

On September 20, 2004, the results of two major pieces of research were released:

- The most comprehensive study of its kind in Canada, the *National Survey of Nonprofit and Voluntary Organizations (NSNVO)* provides essential baseline information about the voluntary sector. It also provides a preliminary assessment of organizations' needs as they build capacity to achieve their missions. The findings are based on interviews with representatives of 13,000 incorporated nonprofit organizations and registered charities across the country. The report is posted at **www.vsi-isbc.ca**.

  The NSNVO survey results will provide input to the *Johns Hopkins Comparative Nonprofit Sector Project*, which is comparing the size, scope, structure, financing and role of nonprofit sectors in more than 40 countries around the world. The results of this survey will be released in the summer of 2005.

- The *Satellite Account of Nonprofit Institutions and Volunteering* was established to generate information about the voluntary sector's contribution to the Canadian economy, including data on revenues, expenditures, assets, liabilities and net worth. In December 2001, Statistics Canada was given ongoing funding to support this work in order to establish it as a permanent part of the System of National Accounts. The first publication of the Satellite Account was launched in September 2004. The full report is available at **www.vsi-isbc.ca/ eng/knowledge/satellite.cfm**.

On the technology front

The Information Management/ Information Technology (IM/IT) Secretariat at Industry Canada continues to support the Working Group of voluntary sector and government representatives to implement a strategy for enhancing the technological capacity of the voluntary sector through the application of e-based tools. Established in 2002 by the IM/IT Joint Table, the strategy supports work in five key areas: changing funding practices through technology-based funding campaigns; establishing a Training and Technical Support Network; developing a Voluntary Sector Internet Portal; improving funding access; and supporting an awareness campaign to promote the benefits to the voluntary sector of the effective use of technology.

Enhancing human resource capacity

With financial assistance from Human Resources and Skills Development Canada (HRSDC), Community Foundations of Canada and the United Way of Canada – Centraide Canada recently embarked on a *feasibility study for a human resources sector council for the voluntary sector.* The aim of the study is to determine whether a Voluntary Sector Human Resources Council is viable and, if so, how it can best work to strengthen the voluntary sector. For information on human resources in the voluntary sector see **www.hrvs–rhsbc.ca**.

International interest

Other countries are exploring Canada's experience in building the relationship between the government and the voluntary sector. In the past year, delegations from Estonia, New Zealand and Australia met with representatives of both sectors to discuss key elements of the VSI.

B. The Foundations for Change

Since the beginning of the VSI, both sectors have recognized the need for effective accountability structures – both separate and joint – to strengthen the relationship.

Shared leadership of the VSI

Made up of 12 senior representatives – six each from the federal government and the voluntary sector – the Joint Steering Committee (JSC) coordinates and oversees the work of the VSI, including implementation, dissemination and delivery of VSI products and services. In addition to reviewing implementation and follow-up activities for the Accord and Codes of Good Practice on Funding and Policy Dialogue, the JSC provides a forum for sharing information, identifying and considering emerging issues, and serves as a mechanism for dispute resolution. Over the past year, the JSC met three times (November 2003, March and June 2004).

Coordinating voluntary sector activities

Chaired by Monica Patten, President and CEO of Community Foundations of Canada, the Voluntary Sector Forum (VSF) ensures that the work of the VSI is completed, coordinates the sector's work on key cross-sectoral issues and directs outreach activities. Its 20 members reflect the knowledge, diversity, experience and interests of Canada's voluntary sector.

New government accountabilities

On December 12, 2003, responsibility for the VSI was transferred from the Department of Canadian Heritage to Social Development Canada (SDC). The department's Social Development Directorate includes the Voluntary Sector Affairs Division, which is the focal point for coordinating cross-governmental activities related to the voluntary sector, including government-wide monitoring and reporting on Accord implementation.

In the Spring of 2004, the Assistant Deputy Minister Steering Committee (ADMSC) recommended the establishment of a Director General Steering Committee (DGSC) to provide strategic advice and guidance to the JSC. Part of the Committee's mandate is to strengthen horizontal integration and implementation of the VSI, including the Accord and Codes. While the ADMSC will continue to meet as required, the new DGSC will represent departments and central agencies across the government.

A Ministerial Consultative Committee (MCC) has a mandate to meet annually with the voluntary sector to review results, report to Canadians on the status of the relationship and guide future work.

A network of champions across the federal government is responsible for raising awareness about the Accord and Codes of Good Practice on Funding and Policy Dialogue in each department. The champions will continue to play a role in the Government's implementation initiatives.

C. Progress on Priorities

In spite of the challenges and transitions over the past year, the Government of Canada and the voluntary sector have made progress in bringing the Accord and Codes of Good Practice on Funding and Policy Dialogue to life, in both sectors. Building on many of the processes and tools already in place to enhance awareness and guide the evolving relationship, the sectors worked together and individually to fulfill the joint commitments made last year.

This section of the report describes the major accomplishments in the six priority areas for action identified in last year's report:

- continue to build the relationship
- identify, use and promote good practices and lessons learned
- hold a regular meeting between the Ministerial Consultative Committee and voluntary sector representatives
- hold a meeting between voluntary sector representatives and departmental champions
- continue to advance collaborative work with respect to regulation and taxation of charities, capacity building and strategic investment

PROGRESS MARKERS

In the voluntary sector:
- Respondents to the Web survey commented positively on the professional relationships between government staff and organization members, staff and volunteers.
- Respondents had a number of concerns about the relationship – mostly focusing on processes related to funding and protocol, which some characterized as burdensome or restrictive.

In the federal government:
- Almost half of the departments/agencies responding to the departmental survey said their relationship with the sector had stayed the same over the past year; one quarter said it had improved.
- Some of the improvements cited were: a greater level of confidence and engagement in constructive dialogue as a result of national conferences; enhanced sharing of good practices; and greater involvement by the voluntary sector in departmental activities.

- collaborate to advance other commitments including an agreement on next steps, the development of a 'voluntary sector lens' and the examination of models for dispute resolution

Also included in this section are a series of "progress markers" summarizing some of the key findings from research conducted by each sector during the summer of 2004. A more detailed accounting of these and other achievements of the federal government and the voluntary sector are provided in two background papers to this report see the VSI Web site at **www.vsi–isbc.ca**.

BUILD THE RELATIONSHIP

In coming together through the VSI, the Government of Canada and the voluntary sector committed to enhance their relationship in the interest of mutual goals. In fact, the two sectors share a long history of joining forces, and many departments and voluntary sector agencies have already forged enduring relationships. The Accord goes further, committing each sector to build on these relationships, while the Codes of Good Practice on Funding and Policy Dialogue provide some of the processes and tools to do so.

WHO RESPONDED …

… *in the voluntary sector*
- most operate at the local level, while fewer function at the national or provincial/territorial levels and a small number have an international focus
- the largest portion work in the health, social development and community/economic sectors

… *in the federal government*
- 47 departments and agencies
- responding departments/agencies have relationships with the voluntary sector ranging from strong to weak – many departments said it would be difficult to deliver programs without the sector's help, while a few said they have no relationship with the voluntary sector

Strengthening links between the sectors
On May 19 and 20, 2004, the sectors collaborated on two workshops to promote closer links between the government and the voluntary sector, and to set future goals and

directions for implementing the Accord and Codes. "*Building the Relationship Between the Government of Canada and the Voluntary Sector*" brought together senior representatives from 25 national organizations and a range of federal government departments and agencies for two one-day information and training sessions (one day in English, the other in French). Participants worked together to identify the qualities of an ideal relationship, as well as challenges and solutions related to building and maintaining a strong relationship that works and implementing good practices.

Monitoring progress in federal departments

The Accord commits both sectors to monitor and report on their progress as they move toward an enhanced relationship. Building on lessons learned from last year's reporting process, the government streamlined its 2004 questionnaire to solicit departmental input on:

- the nature of their relationship with the voluntary sector
- actions taken or planned to implement the Accord and Codes
- good practices that have been implemented relating to funding or policy dialogue

- progress on priorities identified in the department or agency's last progress report

A copy of the 2004 questionnaire was sent to deputy heads of departments and agencies across the Government of Canada. Some of the highlights of the findings are included in this report; for a more detailed review, see "Background Paper: Government of Canada Implementation" at **www.vsi–isbc.ca**.

Hearing from the voluntary sector

For its part, the Voluntary Sector Forum coordinated the distribution and analysis of an on-line survey to voluntary sector organizations across the country. The survey was made available through the Voluntary Sector Forum Web site **www.vsf–fsbc.ca** and the Voluntary Sector Initiative Web site **www.vsi–isbc.ca**. Links and reminders also appeared on the Web sites of a number of affiliated organizations, such as VolunteersOnLine and Charity Village. Some of the major findings from the voluntary sector survey are presented in this report; however, for more details, see "Background Paper: Voluntary Sector Implementation" on the Forum's Web site at **www.vsf–fsbc.ca**.

In the voluntary sector:

- Respondents reported progress in exemplifying the practices outlined in the Accord and Codes – for example, by making them part of the way they work with funders, in proposal and report writing and in relationships with other organizations, and by diversifying funding sources.

- A number of suggestions were made for increasing awareness of the Accord and Codes in the voluntary sector, including: having local workshops and information sessions; targeting umbrella groups in the sector; and making presentations at national and regional conferences.

In the federal government:

- Generally, departments reported progress in raising awareness of the Accord and Codes since the last reporting period, although some identified a continuing need for additional buy-in from senior levels in order to ensure the implementation of the Accord and Codes in their department or agency.

- Priorities for the next 12-18 months include: raising awareness; developing a plan to put the principles into practice; exploring options for organizational structures for effectively promoting the Accord and Codes; and seeking out new partnerships with the sector.

IDENTIFY, USE AND PROMOTE GOOD PRACTICES

One of the first steps to implementing the Accord and Codes of Good Practice on Funding and Policy Dialogue is to promote awareness about how they can be used "on the ground" in the day-to-day work of government departments and voluntary sector organizations.

Many organizations in both sectors already spend considerable time and effort putting these good practices to work, collaborating on key issues, sharing information and tools, and finding innovative and effective ways of working together. Much of the work over the past year has focused on finding ways to share and build on these experiences.

Training and information sessions

A major focus both for the government and the voluntary sector has been on providing training to departments and voluntary sector organizations across the country on how to implement the Accord and Codes. Over the past year, the two sectors collaborated to deliver the following two-day sessions:

- an English-language "train-the-trainer" session and an information session for 86 voluntary sector representatives in Calgary (November 27 and 28, 2003)

- a French-language "train-the-trainer" workshop in Edmonton (December 3 and 4, 2003)

- English- and French-language workshops for 38 representatives of eight government departments and trainers from 16 centres in Ontario (March 24 and 25, 2004)

Building on lessons learned from joint "train-the-trainer" workshops held in Fredericton in the fall of 2003, organizers redesigned the training methodology to provide local trainers, federal government Champions, Forum members and others with flexible modules that can be tailored to meet specific needs. The sessions also made use of tools developed jointly by the two sectors, including a 10-minute video that

provides background on the Accord and case study examples, and a plain-language workbook on how to put the Codes of Good Practice on Funding and Policy Dialogue to work in government and voluntary sector organizations.

As part of the overall training strategy, the voluntary sector established an extranet site for the exclusive use of trainers. Part of the VSF Web site, it encourages trainers to share information, experiences and questions related to the Accord and Codes training.

Information out

Speaking engagements are one of the ways the Forum gets information out about the Accord and Codes of Good Practice on Funding and Policy Dialogue. During the past year, Forum members and staff took part in more than 50 workshops and conferences, reaching almost 1,000 people at the national, provincial/territorial, local and international levels.

The Forum also promotes awareness by distributing copies of the Accord and Codes and other information materials to sector organizations. From October 2003 to September 2004, the Forum distributed copies of the following:

- Code of Good Practice on Policy Dialogue: 2,637
- Code of Good Practice on Funding: 1,883
- Kits (Accord and Codes): 1,428
- Accord: 2,390
- Video: 82
- CD-ROM: 182

Good practices at work

The *Accord and Codes Knowledgebase of Effective Practices* is a growing online collection of case studies that demonstrates how some Canadian voluntary sector organizations have been successful in making the Accord and Codes of Good Practice part of the way they do business with the Government of Canada. A source of practical and creative examples, the Knowledgebase illustrates how voluntary sector organizations are using the Accord and Codes, as well as the results different strategies have achieved (see **www.vsf–fsbc.ca).**

Focus on funding

Established in early 2004, the Interdepartmental Funding Code Working Group shared good funding practices and encourages their use in departments across the federal government. Many of these good practices are based on input from last year's government-wide progress reports, which highlighted a range of innovative initiatives. For example, departments reported using the Code to:

- analyze current and potential funding relationships with the voluntary sector
- guide the renewal of terms and conditions for funding programs
- carry out gap analysis on departmental processes and procedures, including those on risk assessment, transfer payment policies and departmental action plans on grants and contributions

HOLD REGULAR MEETINGS BETWEEN THE SECTORS

Both the federal government and the voluntary sector recognize the importance of dialogue between the two sectors at the highest levels. During this reporting period, the Honourable Liza Frulla, then Minister of Social Development Canada – the department responsible for the relationship between the Government of Canada and the voluntary sector – held a meeting with key voluntary sector representatives. Members of the voluntary sector took the opportunity to reinforce the importance of moving forward on the commitments made in the Accord and Codes of Good Practice on Funding and Policy Dialogue.

Due to Cabinet personnel changes during the current reporting period, a meeting between the Ministerial Consultative Committee and voluntary sector leaders did not take place. However, both sectors have agreed to make a meeting between the two groups a priority for the upcoming year.

Similarly, while a meeting between voluntary sector representatives and departmental champions did not take place in the current reporting period, the two sectors have committed to meeting in the fall of 2004.

COLLABORATE TO ADVANCE VOLUNTARY SECTOR PRIORITIES OF PAN-CANADIAN SIGNIFICANCE

Through the Voluntary Sector Forum, the voluntary sector identified a number of clear priorities for action. Issues of national importance, these priorities were selected based on survey feedback from voluntary sector organizations, as well as on the experiences of Forum members, staff and others. Looking back over the past year, the federal government and the voluntary sector made significant advances in several of these areas.

ABOUT CANADA'S CHARITIES

- About 80,000 charities are registered under the *Income Tax Act*.

  (Source: Canada Revenue Agency)

- In 2003, nonprofit and voluntary organizations reported revenues of $75 billion (excluding hospitals, colleges and universities.)

  (Source: National Survey of Nonprofit and Voluntary Organizations, 2004)

On improving the regulatory environment for charities

In September 2003, the Canada Revenue Agency (CRA) released new guidelines that clearly identify what constitutes political activity for charities. These guidelines were revised and clarified in consultation with the voluntary sector.

On another front, the federal government's *charities regulatory reform initiative* includes a comprehensive action plan to implement the regulatory changes proposed in the federal government's 2004 budget, which allocated $12 million per year to improve the way charities are regulated. These changes respond to recommendations by the VSI's, Joint Regulatory Table (JRT) for improving the voluntary sector's legislative and regulatory environment.

Developed by the Canada Revenue Agency (CRA) and Finance Canada, the *charities regulatory reform initiative* focuses on five key areas:

- service improvements to help charities register and report
- more transparent and accessible information about registered charities and CRA policies, decisions and regulatory requirements

- a new compliance regime for charities
- a more accessible appeals regime
- jurisdictional collaboration among federal and provincial/territorial governments

The CRA has already taken action in some of these areas – for example, creating a Charities Advisory Committee to advise the Minister of the Canada Revenue Agency, simplifying the tax return for charities and redesigning the charities section of the CRA Web site.

On legislative change

With a view to improving the regulatory structure that governs the voluntary sector, Industry Canada has conducted extensive consultations on reforming the *Canada Corporations Act*. The 2004 Federal Budget committed the Government to creating a new Not-for-Profit Corporations Act that will: reduce the regulatory burden on the not-for-profit sector; improve financial accountability; clarify the roles and responsibilities of directors and officers; and enhance and protect the rights of members.

On advocacy

Concerned that legal and regulatory gaps and ambiguities limit the role that charities can play in public policy debate and development, the Voluntary Sector Forum and others in the sector are continuing work to ensure that charities are afforded the flexibility and tools that they need to contribute effectively to public policy.

On funding

One of the voluntary sector's priorities is to improve the quality of voluntary sector financing, including changes to the funding regime and the funding environment in which voluntary sector organizations operate. Over the past year, work continued on improving sources and mechanisms of financing, with the goal of ensuring long-term sustainability for voluntary sector organizations.

Social Development Canada (SDC) is taking the lead on establishing a task force that will examine current mechanisms and make recommendations on approaches to facilitate investments in communities by the federal government. For its part, the Voluntary Sector Forum is working at the provincial level with others in the voluntary sector to address financing concerns.

On liability insurance

Concerned about the cost and accessibility of liability insurance for voluntary sector organizations, the Forum recently undertook a series of regional consultations and an on-line survey to catalogue the problems most commonly faced by voluntary sector organizations. The results are set out in a report entitled, *Liability Insurance and the Voluntary Sector – Framing the Issues*, which is available on the Forum's Web site at **www.vsf-fsbc.ca** Work is under way to develop solutions for these problems.

COLLABORATE ON OTHER COMMITMENTS

The Accord sets out a number of essential measures that are required to implement its provisions. Among the directions identified for "taking the Accord forward" is the development of processes for resolving disputes.

Identifying options for dispute resolution

The VSF and SDC are working together on a pilot project to develop a collaborative problem solving approach for issues coming out of the implementation of the Accord and Codes. Based on a background paper commissioned by the VSF in March of 2004, the project is designed to enhance the ability of the two sectors to serve Canadians and their communities through partnerships in areas where they have identified common goals. Both the federal government and the voluntary sector have identified successful collaborative partnerships as a key element of "doing business" together and a fundamental indicator of the success of the Accord and Codes of Good Practice. Selected departments and their respective sector stakeholders will test the pilot.

D. Looking Ahead

The Federal Government and the Voluntary Sector have developed a set of historic agreements that reinforce their commitment to work together in the service of Canadians – *An Accord Between the Government of Canada and the Voluntary Sector, A Code of Good Practice on Funding* and *A Code of Good Practice on Policy Dialogue.*

WHAT THE VOLUNTARY SECTOR SAID:

Asked to identify the **priorities for the voluntary sector** in implementing the Accord and Codes for the coming year, respondents to the voluntary sector survey focused on activities such as:

- creating links between organizations and the federal government – for example, by providing feedback on the other's progress
- giving the Accord and Codes "teeth," by enforcing their use/ application through report cards or other mechanisms

Asked where **federal government efforts** should be directed, survey respondents underscored the need to:

- increase awareness of the Accord and Codes and departments' effectiveness in implementing them
- adapting processes – i.e., by making them less bureaucratic – especially to meet the needs of small organizations
- putting in place a system to recognize and reward departments that have been using the Accord and Codes in their day-to-day activities

WHAT THE FEDERAL GOVERNMENT SAID:

Asked what the **federal government** should focus on, survey respondents identified several key themes:

- build capacity/relationships – for example by expanding networks with the nonprofit and charitable sector
- enhance accountability – by simplifying the reporting questionnaire; reducing overlap; and developing government-wide performance indicators
- communicate, educate and raise awareness – by developing a communications strategy, conducting policy development exercises; and developing knowledge

Asked what **voluntary sector** priorities should be, respondents mentioned such activities as:

- share information on areas of common concern and successful implementation strategies – especially at the grassroots level
- "twin" voluntary organizations to share good practices
- provide information-sharing opportunities to discuss good practices with departments

Over the next year, the two sectors will continue their focus on collaboration and innovation in government/voluntary sector relations for the benefit of communities. On behalf of the Government of Canada and the voluntary sector, the Joint Steering Committee has agreed to the following priorities for the next reporting period:

1. **Integrate the Accord and two Codes within and across the sectors as "the way we do business" by:**

- improving the flexibility, responsiveness and consistency of funding arrangements between the federal government and the voluntary sector
- deepening the dialogue between the federal government and the voluntary sector in order to create better public policies for the benefit of Canadians
- measuring progress in meeting our commitments

2. **Ensure government departments and voluntary sector organizations share good practices and lessons learned in implementing the Accord and Codes.**