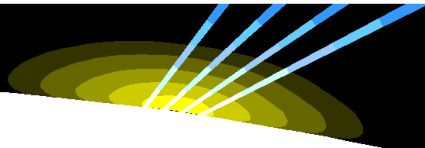




Industry Canada Industrie Canada



Evaluation of the Contributions Program for Non-Profit Consumer and Voluntary Organizations

FINAL REPORT

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Executive Summary

- The purpose of this evaluation is to assess the effectiveness of the Contributions Program and to identify areas for improvement. The objective of the program is to strengthen the consumer's role in the marketplace by providing research project contributions and development project contributions to consumer and voluntary organizations.
- The methodologies used for this evaluation included a program documentation review, key informant interviews (n=20) and 11 case studies.

Evaluation Findings

Relevance

- Overall, respondents agreed that the program is relevant and is consistent with the Department's priorities. The program is needed to support good research on topics of interest to policy making and to increase consumer groups' research capacity, as well as to maintain the existence of the groups that depend on this program for their survival.

Service Delivery

- The program is successful in reaching existing Canadian consumer organizations and is making sufficient efforts to promote itself with other voluntary groups.
- Organizations are generally satisfied with the proposal application and selection process, which are perceived to be fair and efficient. An issue lies in the selection of priority research areas for the program, for which consumer organizations are not being consulted on a formal basis.
- Respondents are unanimous in their praise of the support provided by the Office of Consumer Affairs staff, both at the proposal preparation stage and during the project.
- The program is monitored by means of mandatory quarterly reports submitted by each group, as well as by conducting a post-project methodology assessment of a sample of projects, with the assistance of an external expert. The majority of consumer organizations find the monitoring mechanisms to be appropriate.

Impacts

- According to case study results, research projects are deemed to have informed and sensitized government to the particular issues being studied. In half of these cases the projects have

influenced or are expected to influence government policy. Similarly, the majority of projects informed and sensitized industry members and half of these have actually provoked changes in industry practices. The consumer organizations themselves also benefit from increased knowledge, competency on specific issues, and new opportunities.

- According to the External Assessor of Reports, most projects are relevant to the program. Many projects appear to suffer from a poor presentation of the results (at least those reported to the Department shortly after project completion – other communication products may have been produced after the review of the External Assessor). Communications appears to be a key improvement area. Many (between one-quarter and one-third of the projects) have also experienced difficulties in attaining the expected results.
- Stakeholder and government respondents also generally support the view that the program has a positive impact on consumer organizations' capacity to produce quality research and to provide useful input into public policy. Impacts on consumers, however, are difficult to measure or remain expected.
- Of the three development projects evaluated, two demonstrated clear results in terms of additional revenues generated, which is a very positive impact for the program.

Conclusions and Recommendations

- According to evaluation findings, the strengths of the program include its relevance, proposal review process, external assessment process, and its capacity to meet tangible needs on the part of government, industry, consumer organizations and consumers. Findings also suggest a number of remaining challenges for the program, including the on-going effort to increase the quality of funded research and the communication of results.

The following recommendations are proposed:

- Consultations should be conducted with consumer organizations before the annual priorities are set for the funded projects.
- Consumer organizations should be consulted on any review (e.g., electronic automation) of the proposal process to ensure that it meets their needs.
- The challenge surrounding communication of project results may be addressed by modifying the program's requirements to include a more detailed communication plan, and by ensuring that adequate funds are provided to support these communication activities.
- The program should encourage the use of seasoned researchers and provide sufficient funds to enable consumer organizations to purchase the adequate expertise to conduct their research.
- The program should explore alternative ways of helping organizations become more self-sufficient, such as by conducting a review of best practices in the area.

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1.0 Introduction

This report presents the findings and conclusions of an evaluation of the Contributions Program for Non-Profit Consumer and Voluntary Organizations, conducted for Industry Canada (IC). The overall objective of the evaluation is to provide a basis for assessing the effectiveness of the Contributions Program and for identifying areas for improvement.

1.1 Background and Program Description

The federal government has been providing financial assistance to consumer organizations for over half a century. According to legislation, the Minister of Industry has the responsibility for promoting the interests and protection of Canadian consumers. The Department has also set itself the strategic objective of building a fair, efficient and competitive marketplace.

In the late 70s, studies indicated that input from consumer representatives to regulatory decision-making processes was inferior in quality to those of other contributors, including industry representatives¹. According to observers, this deficiency was due to many factors, including lack of skills and financial resources. A study was conducted in 1996-1997 to assess the evolution of consumer organizations that received program funding between 1988 and 1996. As a result, grants were no longer awarded; rather, considering the on-going need for consumer representatives to provide quality input to regulatory decision-making processes, the program was refocused. In 1997, the Contributions Program for Non-Profit Consumer and Voluntary Organizations was implemented to foster greater self-sufficiency of consumer groups, and to support the development of quality research and policy advice from these groups.

Objectives of Program

The objective of the Contributions Program is to strengthen the consumer's role in the marketplace by assisting consumer and voluntary organizations to represent consumer interests efficiently and effectively. Two types of contributions are awarded: research project contributions and development project contributions.

Research Project Contributions

The objective of these contributions is to improve the quality and impact of consumer and voluntary organizations' consumer issues research and policy development. In particular, these contributions aim to:

- ensure that research conducted by consumer organizations is of a high calibre and methodologically sound;

¹ *Results Based Management and Accountability Framework (DRAFT)*, Jean-Baptiste Renaud, Office of Consumer Affairs, Industry Canada, November 2000.

- ensure that consumer interests are represented in the decision-making process; and
- improve the capacity of consumer groups to contribute to decision making based on sound research and analysis.

Project contributions are awarded to assist consumer and voluntary organizations to undertake projects that address important consumer issues of concern to a large number of Canadians. Projects considered involve the protection of the consumer interest in the marketplace, strengthening the consumer movement in Canada, and improving the understanding of evolving consumer behaviours and attitudes. Consumer protection issues include questions related to institutional frameworks and situations of marketplace failure, such as failures in the area of information, choice, consumer representation, redress, safety and contractual transactions.

Development Project Contributions

The objective of these contributions is to increase the organizations' level of self-sufficiency by strengthening their capacity to diversify their revenue sources. In particular, these contributions aim to:

- help organizations identify and evaluate the market potential of additional sources and mechanisms of funding, and to develop these sources; and
- broaden the organizations' experience with innovative products or services in order to increase visibility and membership base.

Projects may include preparation of business plans, feasibility studies and market analyses. They may also consist of developing and producing products or services with the potential to generate long-term revenues for the organization.

Program Resources

The program provides \$1,000,000 annually in financial support, including \$950,000 for Project Contributions and \$50,000 for Development Contributions. Follow-up project funding may be awarded if it makes a significant addition to the work accomplished in the initial project. Funding of multi-year projects may also be considered for projects that do not exceed two years, for a maximum of \$150,000 over the two years.

However, an exception was made in the first year of the program in order to facilitate the transition from the previous grant program, which did not require organizations to submit reports. In 1997-1998, the Contributions Program awarded \$150,000 in development grants, and \$850,000 in research project contributions.

Program Participants

The Contributions Program is offered to Canadian non-profit consumer and voluntary organizations. It is advertised to approximately one hundred (100) organizations each year, sixty (60) of which are considered to be "consumer organizations" and the remainder being voluntary organizations that may work on an issue of interest to consumers. Half of the funded organizations are based in the province

of Québec and almost half of the funded projects came from these Québec organizations. Some of these projects were conducted in partnership with national consumer organizations or with groups from other provinces.

Definition of Annual Research Priorities

Each year, the program application guide is updated to include a new list of suggested priority areas for research projects. These special areas of interest stem from the department's broad research priorities on marketplace issues affecting consumers. They are defined by the department, in consultation with provinces. This list is intended as a guide and does not exclude new and emerging issues.

Application, Assessment and Monitoring Process

The Office of Consumer Affairs (OCA) has developed and perfected a process to receive and review funding proposals from applicants as well as monitor the progress of the funded projects. This process includes providing support to applicants in the preparation of their proposals, reviewing the applications according to an evaluation grid, announcing the decisions, providing guidelines and support for quarterly reporting on the progress of the projects, and providing feedback to the organizations on their project results. The following flow chart summarizes the principal steps taken in the delivery of this program.

Exhibit 1.1 Application and Assessment Process Flow Chart²

Time	Action
September/ October	<p>Review and Distribution of Applicants' Guide</p> <p>The applicants' guide is distributed to close to one hundred consumer and voluntary organizations across the country, including associations for disabled persons.</p> <p>All applicants are provided with an Applicants' Guide to assist them in preparing proposals. The Guide includes directions to applicants on the policy research priority areas of interest to the Office of Consumer Affairs (OCA). Provincial consumer ministries are consulted when establishing these priorities. These priorities are intended to serve as a guide and do not exclude new and emerging issues. Between seventy (70) and eighty (80) percent of approved projects fall under these priorities.</p>
October	<p>Assessment of Project Report</p> <p>An independent third-party evaluation is conducted on a random sample of twenty-five (25) percent of project reports produced in the previous year in accordance with the evaluation framework established for the program. More specifically, the evaluator is asked to ascertain:</p> <ul style="list-style-type: none"> • that the methodology used to gather the information was valid and produced reliable data; • that the methodology used to analyse the data was relevant to the stated project objectives; and • that all conclusions and recommendations are substantiated by data and analysis presented. <p>The evaluator also provides constructive criticism for the organization on how to improve analysis and communication of project findings.</p>

² *Contributions Program for Non-Profit Consumer and Voluntary Organizations. Application and Assessment Process Flow Chart*, Jean-Baptiste Renaud, Office of Consumer Affairs, Industry Canada, March 2001, complemented with results from interviews.

Time	Action
November	<p>Bilateral Meeting with Consumer Organizations</p> <p>OCA officials meet with each recipient organization under the program to provide them feedback on their project results, to review suggested priority areas and administrative changes to the program, and review their project ideas for the coming year. Face to face meetings are held in Montréal and Ottawa, and conference calls are held with organizations from other regions. All organizations interested in applying for the program are invited to request such meetings which most organizations do.</p>
November	<p>Review of Project Ideas</p> <p>In the weeks prior to the application submission deadline, groups are invited to contact OCA officials to discuss their project ideas and proposed research methodologies to help them refine their applications.</p>
December	<p>Deadline for Submission of Funding Request - First week of December</p> <p>On average, twenty (20) organizations submit eighty (80) to ninety (90) project proposals, and request a total of \$3 to \$4 million a year. Organizations can submit more than one project proposal. Approximately, ten (10) or twelve (12) organizations are recommended for funding of twenty-three (23) to twenty-six (26) projects. The maximum amount that can be awarded per project is \$100,000, and the maximum that can be awarded to each recipient is \$500,000 in any given fiscal year.</p> <p>Joint Project Proposals.</p> <p>In the days following the deadline for applications, the list of proposals is forwarded to all applicants by facsimile. Organizations having submitted proposals addressing the same issue are encouraged to contact each other to discuss the possibility of submitting joint project proposals. Organizations are given two weeks to submit joint proposals.</p>

Time	Action
December/ January	<p>Assessment of Funding Request</p> <p>All contribution and development project proposals are assessed by OCA staff using program criteria in the program’s applicant’s guide.</p> <ul style="list-style-type: none"> • <i>Research Contribution Project</i> proposals are evaluated on the basis of the importance of the issue identified, the feasibility of the work plan (objectives, scope, methodology/approach, deliverables, critical path, communications strategy for diffusing the results of the work, evaluation, etc.), and the budget. Contribution project proposals are assessed by OCA staff, and additional evaluations from outside sources (federal departments and agencies, and relevant provincial ministries) may also be solicited. Outside assessors use the same scoring grid as OCA. Proposals having been scored eighty (80) percent or more by OCA staff are sent to outside assessors. On average seventy (70) percent of Research Contributions project proposals are sent to outside assessors. OCA and outside assessors score the applications independently. • <i>Development Contribution Project</i> proposals are evaluated on the basis of: the likelihood that the project will assist the organization to achieve greater self-sufficiency; the feasibility of the work plan (clear, realistic, measurable objectives, specific deliverables and time frames, etc.); the project team’s ability to carry out the project and reach stated objectives; and the budget. The proposal must demonstrate that the project is part of the organization’s long term self-sufficiency strategy and business plan.
January/ February	<p>Tabulation of Assessments, Ranking, and Funding Recommendations</p> <p>Assessments are tabulated, and projects ranked according to their score.</p>
March	<p>OCA Management Review Committee</p> <p>Funding recommendations are reviewed by OCA’s Management Review Committee, comprised of the Director General, Directors (2), and program officer. The Committee examines each project proposal in light of:</p> <ul style="list-style-type: none"> i) the consistency and accuracy of scoring and assessments by internal and external reviewers; ii) OCA’s priorities and relevance of the proposal to policy making; iii) the capacity of the organization to deliver and to make effective use of results; and iv) capacity building in the consumer movement.

Time	Action
April	Briefing of Associate Deputy Minister and Minister's Staff on funding decisions
	Announcement of Awards Letters to applicants Responses to enquiries regarding funding decisions
	Letter to Outside Assessors DG sends outside assessors a letter of thanks for their participation in the assessment process, and provides them with a list of awards and funded project summaries.
	Contributions Agreements and Quarterly Reporting Forms sent to recipients
	Post Mortem of Application and Assessment Process Critical review of process, and recommendations for improvements for next year's program by OCA Management Review Committee.
Quarterly	Monitoring and Payments of Funded Projects Payments are made to funded organizations upon receipt of each of their quarterly reports. These reports present an outline of completed activities and expenses as well as the proposed work plan and budget for the next quarter. The fourth and final payment (10%) is given upon receipt of the final report, whose methodology must be reviewed and approved by an independent external evaluator hired by the organization.

1.2 Structure of the Report

This report comprises four chapters. In Chapter two, the evaluation issues and methodology are presented. The findings of the study are shown in Chapter three. Finally, Chapter four presents the main conclusions of the study.

2.0 Evaluation Issues and Methodology

This chapter presents the detailed evaluation issues and the methodology used to collect the study findings.

2.1 Evaluation Issues

As mentioned in Chapter 1, the objective of the evaluation is to provide a basis for assessing the effectiveness of the Contributions Program and for identifying areas for improvement. The following issues guided the evaluation:

Relevance

1. Does the program continue to make sense?
2. Are the objectives of the Contributions Program still valid? Are the conditions that gave rise to the program still present? Has the need for the program changed in any way and to what extent?
3. Does the program continue to be consistent with the mandate and objectives of the OCA and IC?

Objectives Achievement

4. Have the intended objectives been achieved?
5. In what manner and to what extent have the following impacts been achieved:
 - Ongoing visible representation of consumers and informed intervention on key marketplace issues
 - Appropriate consumer group understanding of the regulatory and policy decision making process affecting marketplace issues
 - Recognition of the role of consumer groups' input by marketplace stakeholders
 - Effective networking of consumer groups on specific issues
 - Strengthening of organizations' capacity to diversify revenue sources
6. What is the level of client/stakeholder satisfaction with regard to:
 - Acquiring knowledge and experience
 - Efficiency and effectiveness of OCA consultations and meetings with consumer groups
 - Ease of access to program officers
7. Is the Contributions Program effective in achieving the stated objectives?
8. Is the program reaching the appropriate target clientele?

Cost-effectiveness (Alternatives)

9. Are there better methods of achieving the same results?

Design

10. Are there other effective government instruments that could be used?

Delivery

11. Is the project approval process appropriate? (Selection criteria, timely delivery, paper burden, etc.)

12. Are the monitoring activities of the Contributions Program adequate?

13. To what extent is the administration process of the program working in an efficient manner?

2.2 Methodology

The evaluation findings were collected through a program documentation review, key informant interviews and case studies.

2.2.1 Program Documentation Review

Prior to the key informant and case study interviews, a program documentation review was conducted. This process had two purposes:

- The documentation allowed the evaluation team to become familiar with the program for methodology design purposes and to establish a description of the program.
- Some documentation included information that was used as evaluation evidence.

The documents reviewed included the evaluation framework, program descriptions, and the forms used for funding applications. Also reviewed were the reports produced by an external assessor. These reports are expert opinions on the methodology and content of the final reports of a sample of the research projects.

2.2.2 Key Informant Interviews

In-depth key informant interviews were also conducted to obtain views, opinions and other evidence for the evaluation. Two types of respondents were interviewed:

- Three (3) Industry Canada respondents were interviewed to obtain views on all aspects of the evaluation.
- Seventeen (17) stakeholders were also interviewed to gather evidence on the relevance and impacts of the program. These stakeholders included respondents from government, industry, consumer organizations and academia, who were knowledgeable about the program, a specific project funded by the program, and/or key issues for consumers and consumers organizations.

The following table presents the number of respondents interviewed from each category of stakeholders.

Exhibit 2.1 Number of Respondents Per Category of Stakeholders

Category	Number of Interviewees
Federal Government Representatives	7
Provincial Government Representative (Québec)	1
Industry Representatives	6
Consumer Organizations Representatives	2
Academia Representative	1
Total	17

Federal government representatives interviewed were referred to us either by the Office of Consumer Affairs (OCA) or by consumer organizations representatives. They represent government divisions directly concerned by the results of the studies produced by consumer organizations. The majority of industry representatives interviewed spoke on behalf of an industry association rather than a specific company. Two representatives from consumer organizations were interviewed because of their collaboration on some research projects selected for the case studies.

The interviews were conducted in-person or over the phone and lasted between 30 and 90 minutes each.

2.2.3 Case Studies

In addition to the key informant interviews, mini-case studies of thirteen (13) funded projects were conducted. The objective of the case studies was to illustrate and assess the program's impacts through the funded projects. The interviews conducted for the case studies were also used to gather views on the program's relevance and service delivery.

The case studies included ten (10) research projects and three (3) development projects. The cases were selected with the assistance of program staff, who recommended five (5) research projects that they considered successful and five (5) others selected randomly. This sampling approach provided the researchers with sufficient elements to document both the success factors and the areas where consumer organizations experienced more difficulties.

The three (3) development projects selected for case studies were the only ones funded in 1999-2000. At the suggestion of program staff, the development projects approved in 1997-1998 and 1998-1999 were not considered for case studies because they were not representative of the intent of the development contributions, the transition from the previous grant program having taken more time with development projects than with research projects.

The evidence for the case studies was collected through in-depth interviews with representatives from the funded organizations. In some cases, documents related to the projects were reviewed for background information and additional evidence. The case studies also relied on the views of external stakeholders who were familiar with some case studies, as mentioned above.

The following table summarizes the type and number of respondents who contributed to each case study. It also indicates for which case studies the external assessor reports were available.

Exhibit 2.2 Type and Number of Information Sources for Each Case Study

	External Stakeholders³	Consumer Organization	External Assessor Reports	Total
CS 1	1	1	1	3
CS 2	1	1	1	3
CS 3		1		1
CS 4	2	1		3
CS 5	1	1	1	3
CS 6	2	1		3
CS 7		1		1
CS 8	1	1		2
CS 9	1	1	1	3
CS 10	3	2		5
CS 11	1	1		2
CS 12	1	1		2
CS 13		1		1

2.3 Limitations

As indicated in the previous section, the study team collected findings from multiple sources to assess the program from different angles. However, as in any evaluation, a number of methodological limitations should be recognized:

- Most findings for this evaluation come from key informant interviews (both case study and non-case study related) that essentially provide qualitative information. Although the method is well adapted to collect in-depth information on all aspects of the program, the findings mostly rely on opinions and stated facts – as opposed to written or documented facts. Due to resource limitations, it was not possible to verify stated facts or to measure the impacts using quantitative methods (e.g., survey of consumers or industry representatives).
- In many cases, project results were difficult to assess for two reasons: 1) in some cases, there are many other factors (e.g., political and economic factors) that may impact on the desired outcome, which make it very difficult to measure the incremental impacts of projects; and 2) in other cases, the projects are only expected to produce long-term impacts which are not yet measurable.

³ Some external stakeholders may have contributed to more than one case study.

- Of the sixty-four (64) projects funded by the program between 1997 and 2000, thirteen (13) have been reviewed as case studies for the evaluation. Although some interview respondents were capable of providing an overall assessment of the program, the number of case studies limits the extent to which this evaluation can assess the impacts of the entire program.

To minimize these limitations, the study team adopted the following strategies:

- To obtain the most valid and balanced findings possible, the study team conducted interviews with stakeholders from organizations who did not benefit from the program. In some cases, stakeholders were from industry (or their associations). The evaluators also verified, when possible, some interview findings through other sources, including other interview respondents and documentation.
- When necessary, the evaluators used qualifiers to describe the impacts reported by the respondents. These qualifiers provide an indication of the limitations of the finding. Also, impacts not yet realized were identified as “expected impacts” and are considered as possible future impacts of the program.
- As explained earlier, to obtain a balanced case study sample, the case study projects were selected with the assistance of IC staff who are familiar with them. To obtain a reasonable representation from which to identify lessons learned, five successful research projects and five less successful (not necessarily failures) projects were identified. This approach was appropriate given that this is essentially a qualitative evaluation focusing on lessons learned.

3.0 Evaluation Findings

This section presents the data collected through the document review, stakeholder interviews and case studies. The findings for each evaluation issue are presented by category of informant, with key conclusions at the end of each sub-section. The first sub-section examines the continued relevance of Industry Canada's Contributions Program, followed by a sub-section dealing with service delivery issues, and finally a sub-section describing the perceived impacts of the Contributions Program.

3.1 Relevance

One objective of this evaluation is to assess the continued relevance of the Contributions Program. To that end, interviewees were asked if they believed that the objectives of the program were consistent with the mandate and objectives of the Department and the Office of Consumer Affairs (OCA), and to what extent. We also asked them to evaluate the continuing need for the program, both for consumers and for consumer organizations.

The objective of the Contributions Program is to strengthen the consumer's role in the marketplace by assisting consumer and voluntary organizations to represent the consumer interest efficiently and effectively.

Industry Canada Representatives

According to Industry Canada representatives, the Contributions Program's objectives are consistent with the mandate and objectives of the Department and the Office of Consumer Affairs. The program enables consumer groups to conduct sound research on issues of importance to the Canadian public. Also, considering the strength of the industry lobby and industry resources used to influence government, this program helps to keep a balance between business and consumer advocacy groups. An informed and demanding consumer base is important to foster the growth of efficient and successful companies.

The program is therefore still very much needed, both to ensure research on topics of importance and to help consumer groups build and maintain intellectual capital. The program is important in order to assist consumer groups to conduct effective research and advocacy work, and to participate effectively in policy-making. As one government representative points out, the Contributions Program is where consumers' interests are best represented in the policy-making process.

Stakeholders

Stakeholders also consider the program to be consistent with the Department's priorities and, quite relevant to the need for strong consumer interest advocacy on the part of both the industry and consumers. Respondents all agree that these needs can be best met by knowledgeable consumer organizations that are able to conduct thorough research and influence public policy. In particular, industry stakeholders believe that an informed voice for consumer interests is important for the health of the industry.

The Contributions Program is seen by stakeholders as a needed government intervention for three main reasons: the fact that it ensures the survival of most consumer organizations; the increasing complexity of the topics that consumer organizations need to master to defend effectively the interests of consumers; and the need for ongoing research on specific topics of interest to government and industry.

Consumer Organizations

As can be expected, consumer organizations' representatives are emphatic about the continuing need for this program, which plays an important role in strengthening the groups' research skills and expertise, thereby increasing their capacity to influence government and industry. For some organizations the program is necessary for their survival. It is also the only federal government initiative that supports much needed research on consumer issues. However, according to some respondents, the financial needs of most organizations exceed the level of financial support they receive from the program, which limits their ability to meet fully its objectives in terms of quality research and impact.

Conclusion

All key informants believe in the relevance of the Contributions Program to the Department's priorities and to the needs of industry, consumers, and consumer organizations. The program is needed to support good research on topics of interest to policy makers and to increase consumer groups' research capacity, as well as to maintain the existence of the groups that depend on this program for their survival.

3.2. Program Service Delivery

One key factor in the success of a program is the manner in which it is implemented. Key informants were asked to discuss a number of service delivery issues. These include the clientele reached by the program, the proposal application and selection process, the internal administrative process, and program monitoring.

3.2.1 Program Clientele

This evaluation attempts, among other things, to determine if the Contributions Program is reaching the appropriate clientele. Industry Canada representatives and stakeholders were asked if the program was effective in reaching its intended clientele of non-profit consumer and voluntary organizations, and whether the appropriate groups were being reached.

Each year, the program guide and funding application are sent to approximately one hundred (100) consumer and voluntary organizations and are also posted on the Office of Consumer Affairs' website. During the period covered by this evaluation, funding was provided to nine (9) organizations, to support an average of twenty-one (21) projects each year. With one exception, the same groups received funding each year. However, the number of projects and the dollar value of the funding granted to each organization varied from one year to the next. Half of the recipient organizations are from the province of Québec. The others are national organizations.

Industry Canada Representatives

Industry Canada representatives consider that the program successfully reaches its intended clientele of

consumer organizations. Many organizations participate in the program, and the fact that they focus on different areas of consumer interests gives more depth to the research produced.

That said, the number of existing organizations that work on consumer issues in Canada is rather limited. Attempts are, therefore, made by the program staff to reach an increasing number of consumer and volunteer organizations, especially groups that are not consumer organizations *per se* but which could conduct research of interest to consumers. However, they are careful, when promoting the program, not to create unrealistic expectations, given the program's limited resources. While the program aims to reinforce the organizations' capacity to conduct sound research, its mandate is not to provide core funding to these organizations. According to one respondent, a larger diversity of groups would enable the program to rotate funding granted to groups from one year to the next, which would encourage these groups to diversify their sources of revenues. Program officials are also considering the possibility of funding opportunities for partnerships between academic researchers and consumer organizations, such as participation in a national forum, as well as the publication of a consumer trends report.

Stakeholders

A few stakeholders were sufficiently knowledgeable about the program's reach to give their opinion on the subject. The majority of them are concerned by the fact that the same large groups tend to receive funding year after year. They wonder about the program's effectiveness in reaching other types of non-profit and volunteer groups. However, doubts are expressed as to the existence of other groups able to submit credible proposals and the program's capacity to support adequately a wider selection of eligible groups, given its limited budget. One stakeholder disagrees with the clientele targeted by the program, insisting that, although it should fund research on consumer issues, consumer advocacy groups are not the appropriate organizations to conduct such research because of their advocacy role. He suggests that research on consumer issues would be best conducted by private consultants or by academic researchers.

Conclusion

The program appears successful in reaching existing Canadian consumer organizations and is making sufficient efforts to promote itself with other voluntary groups. Stakeholders would like to see more consumer organizations benefiting from the program, and program officials would like to reach a larger variety of voluntary organizations. However, program statistics and testimonies indicate that there is a limited number of consumer and voluntary groups able to submit credible proposals. Also, participation of more voluntary groups would most likely reduce the amounts awarded to existing consumer organizations, which worries consumer organization representatives as well as stakeholders.

3.2.2 Application and Selection Process

Another important aspect of program delivery is the process for receiving and selecting funding applications. Respondents were asked if the selection criteria and the scoring method are appropriate, if the selection process is effective in selecting the most relevant projects, if the selection is done in a timely fashion, and if an appropriate amount of time is allocated to each step.

The deadline for submitting proposals to the program is early December of each year. Groups are given

two months to prepare their proposal from the time the program's research priorities for the year are announced. Groups are encouraged to conduct research on one of these priority issues, which are defined by the department. Between seventy (70) and eighty (80) percent of the approved projects fall within these priorities.

The program also encourages consumer organizations to create partnerships. During the week following the submission deadline, the groups are faxed a list of all projects submitted and they are offered a two-week period to partner with groups who have submitted a bid on the same issue (only one project per year is approved on a given issue), and to submit a new proposal. Some groups have successfully taken advantage of this opportunity.

The selection process goes through three steps: first, program staff read all applications and remove those that do not meet the minimum requirements. Following this preliminary review, the remaining applications are forwarded to outside reviewers, including representatives from other federal departments, Industry Canada staff from other units, and provincial government representatives. These reviewers are asked to score applications using a grid. After this process, the program management team reviews the scoring and identifies discrepancies, where they exist. Discrepancies are discussed with reviewers when this occurs, which sometimes leads to adjustments to the scoring. After this process, results are sent to the Assistant Deputy Minister and Deputy Minister. Usually, the results are not discussed further. About twenty projects are approved every year and the results are announced at the beginning of April.

Industry Canada Representatives

Industry Canada representatives are generally satisfied with the application and selection process of the program. They feel that despite the limits imposed by its small size and budget, the Office of Consumer Affairs does good work. Delays that may still occur in the application and review process are usually caused by late decisions at the higher levels of Industry Canada. They also find that consumer groups are now developing better proposals, which tend to be more practical, more politically astute, and better communicated. However, program staff finds it is difficult to recruit qualified external reviewers that are willing to do the review work, or who are sufficiently neutral about the research being evaluated. The external reviewers do not have the final word on the selection process but play a key advisory role through their scoring of the applications.

Consumer Organizations

Although some organizations still have difficulties meeting the application process deadlines, the great majority of consumer organization representatives consider the application process to be appropriate. Many respondents mentioned that the program deadlines and response times have improved.

In spite of this, three areas of concern have been identified by a significant number of respondents. First, concern was expressed that the external evaluators might not be sufficiently neutral about the research they are being asked to review. Second, several respondents reported finding the program rather prescriptive in its research project priorities, leaving little room for projects outside its own priorities. They expressed the wish to be consulted on the definition of these priorities. The third and most frequent concern was with the length of the approval process which, combined with the single annual

proposal format, prevents organizations from seizing timely opportunities to research key marketplace issues, and follow-up and capitalize on their findings from ongoing research projects. Many reported that they would benefit from multiple rounds of applications during the year. On the other hand, some organizations also argue that the one-year limit to projects hinders their capacity to tackle more complex or longitudinal research topics. Several also regret the absence of guarantees that they will receive funding from one year to the next, stating that this impacts their capacity to plan strategically their research activities.

Stakeholders

Unless involved in the review process as external experts, few stakeholders were knowledgeable about the way proposals are received and selected. Comments from the two stakeholders who had served as reviewers indicate that they were not convinced that their advice was always followed in the final selection. No feedback or follow-up is given to the external reviewers after they have submitted their written evaluations.

Conclusion

Overall, respondents are satisfied with the proposal application and selection process, which are perceived to be fair and efficient. There appears to be difficulties in recruiting neutral, yet qualified, external reviewers. However, the pool of people knowledgeable about consumer affairs outside of participating organizations being rather small, there does not appear to be an easy solution to this challenge. Another issue lies in the selection of priority research areas for the program, for which consumer organizations are not being consulted. The component of the program receiving the most criticism from organizations is its single annual proposal format, which limits their capacity to conduct effective research. But overall, the review process in place is very extensive and thorough, which is remarkable given the size of the program. This is justified by the program's particular circumstances, namely the fact that consumer organization's research often obtains exceptional public and media exposure.

3.2.3 Internal Administrative Process

This sub-section presents findings regarding the program's internal administrative process. Respondents were asked to evaluate the appropriateness and timeliness of the administration of the program. They were also asked to comment on the communication with the Office of Consumer Affairs staff and on the support provided throughout the cycle of the program.

Approximately twelve (12) Industry Canada analysts are involved in delivering this program, providing the approximate equivalent of three person-years. It is likely that additional staff will be needed, especially staff specifically dedicated to this program. Overall, however, the internal processing of the proposals and of the payments is deemed to work effectively. Program management is currently exploring the possibility of implementing an electronic application process to ease the administration of the program.

Industry Canada Representatives

Industry Canada representatives report that communications with consumer groups are frequent and positive. Groups will contact the Office of Consumer Affairs to communicate both difficulties and successes, during and beyond the course of their project. They are given ongoing support by the staff of the Office of Consumer Affairs throughout the cycle of the project, including at the proposal preparation stage. As mentioned in the program description, meetings are held with consumer groups every year to discuss the results of their previous research and to explore new research topics for the next program year. These meetings help the associations put more focus into their projects, which are often just ideas at that stage. Industry Canada feels that this approach improves the quality of the applications and of the projects themselves. Industry Canada staff are careful to ensure that its support is given equally to all groups and that there is no perception of any group having an advantage over another by the advice provided at the proposal writing stage.

Consumer Organizations

Respondents are unanimous in their praise of the support provided by the Office of Consumer Affairs staff, both at the proposal preparation stage and during the project. Respondents find very useful the discussions held with the Office of Consumer Affairs on possible research topics prior to submitting their proposal, and appreciate the mutually respectful relationship that they enjoy with program staff. No mention was made of any type of favouritism in the support given or in the selection of projects. Consumer organization representatives perceive that the program staff genuinely cares to help them improve and succeed. The Contributions Program also compares favourably, in terms of its administration and support provided, to other programs that consumer organizations have interacted with.

Conclusion

Given the program's limited budget, a considerable amount of resources appear to be invested in its administration. This investment appears however to be well justified given the level of need expressed by consumer organizations for ongoing support and guidance. The excellent service provided by program staff to participating organizations appears to be a key factor in the success of the program and the increase in quality of proposals and research conducted by the groups.

3.2.4 Monitoring Mechanisms

For this sub-section, key informants were asked to comment on the mechanisms used to monitor the program activities. More specifically, they were asked if the monitoring is effective and if the reporting requirements are appropriate.

The program is monitored by means of mandatory quarterly reports submitted by each group. Each project is assigned an Industry Canada officer who is responsible for reviewing the reports. The objective of the review is to see to what degree the project is following the approved work plan and to ensure that the activities and budget planned for the next quarter are realistic. Any discrepancy is discussed with the organization. As long as the plan or the alternate plan is reasonable, it is accepted. Payments are tied to the submission of each of these reports, but they are rarely interrupted. A final ten (10) percent of the payment is given upon submission of the final report.

This year, Industry Canada also added a requirement that an external expert be used to review the final reports. This is expected to ensure that the conclusions reflect the research results. Groups are responsible for purchasing the services of the expert reviewer. The cost for this service must be included into the project's budget proposal.

Industry Canada Representatives

According to program staff, the most important challenges in monitoring the program stem from groups being late in submitting their quarterly and final reports, which slows down the payment process and the payment of any new proposal. Most groups have little management resources and expertise, making it difficult for them to comply with the reporting requirements. The quarterly reports requested have been simplified as much as was possible and consist of short one-sentence answers to a one-page list of questions. Program officials feel that their accountability requirements necessitate such reporting mechanisms. However, the creation of an electronic reporting process might facilitate the groups' reporting tasks. This possibility is currently being examined by program management.

Consumer Organizations

The great majority of consumer organizations find the monitoring mechanisms to be appropriate. However, some respondents disagree with the requirement for quarterly reports. They feel that it is asking too much for the small amounts of money awarded. Given the fact that this is not core funding, some respondents suggested that groups be held accountable for their final deliverable, but not so closely monitored during the course of the project.

Opinions are split equally as to the legitimacy and usefulness of the verification of the final reports. Some groups agree that is a good idea, while others find it too costly or doubt the efficacy of such a requirement.

Conclusion

Monitoring of the program appears to pose a certain number of challenges for program staff, in great part due to consumer organizations' limited resources (most of their staff are volunteers) and little expertise in management. Reporting requirements are limited to a one-page statement of budget and activities but some respondents consider that reporting on a quarterly basis is demanding considering the amount of funding they receive. Program management feels that it cannot further simplify its monitoring requirements without compromising its own accountability.

3.3 Impacts

The main focus of this evaluation is on assessing the program's results and impacts. This assessment is based on the opinions and observations of the interview respondents and a review of the available case study projects' final reports and, in a few cases, the reports of the external assessor.

This section will first present a summary of the key conclusions from each case study, followed by a review of the overall perceived quality of the research projects, including the key conclusions of the program's External Assessor reports. The next sub-section will examine the impacts that the research projects have had on industry, on government policies, on consumer and non-profit volunteer

organizations, and on the consumers themselves. It will first present a table illustrating the key areas (government, industry, organizations, consumers) where each case study project has had an impact, followed by key informants' observations. Appropriate examples from the case studies will be used to illustrate the key observations. Finally, this section will also examine the specific results and impacts of the development projects.

3.3.1 Case Study Projects: Summary of Impacts

As part of this evaluation, thirteen (13) case studies were conducted to document the results and impacts of the program through a selection of research and development projects. The following table presents a summary of the key conclusions from each case study.

Exhibit 3.1 Summary Conclusions From Case Studies

<p>1. Automobile Retailing in Canada. Retailing Practices of New Car Dealers (1997-1998) (Automobile Protection Association)</p> <p>This study tested the retailing practices of a sample of auto retailers. Results showed that a high percentage of retailers failed to provide accurate information to potential buyers, including information on financial options. The research project and its subsequent follow-up studies had a major impact on the auto industry's retailing practices and on the consumers' awareness of the risks of unprofessional sales practices in the sector.</p>
<p>2. A Survey of Customer Representatives on Internal Policies on the Protection of Private Information (1997-1998) (Fédération nationale des associations de consommateurs du Québec)</p> <p>This research examined how Canadian customers' privacy rights are protected in their dealings with retail, pharmacy, financial services and transportation companies. Its results showed that the enforcement of privacy codes varies widely across industries and companies, and is strongly dependent on the company's adequate training and follow-up of its employees. This study is considered by some to have influenced the new federal privacy law, and particularly its emphasis on training of front line employees.</p>
<p>3. The Insurance Industry and Various Dispute Settlement Methods (1998-1999) (Association des consommateurs du Québec (ACQ) now Option consommateurs)</p> <p>ACQ and the Insurance Bureau of Canada (IBC) partnered to research and develop a mediation-based dispute settlement mechanism for the damage-insurance industry. A test pilot was developed but an untimely lawsuit against the IBC provoked ACQ's dismissal from the project. The project was nonetheless successful in sensitizing Québec government, businesses, and other organizations to the possibilities of alternative dispute settlement mechanisms. As a result, the organization was invited to develop a similar mediation mechanism for the Quebec Department of Justice.</p>
<p>4. Canadian Communications Competition Review (1999-2000) (Public Interest Advocacy Centre)</p> <p>This study documented the results and impact on consumers of competition in the Canadian telecommunications and broadcasting industry. It concludes that some consumers do benefit from better technology, lower prices and more choices, but that these choices are so complex that they make comparison of services difficult. This study is believed to have informed and sensitized key officials to the implications for consumers of competition in the Canadian communications sector and its report is used by PIAC to leverage new government interventions.</p>

5. Tied Selling in the Financial Services Market (1998-1999) (Public Interest Advocacy Centre)

This study analyzed the impact for consumers of tied selling practices by Canadian financial services. Its main objective was to influence a new provision on tied selling being introduced to the *Bank Act*. The study concluded that the proposed wording of section 459.1 was too ambiguous to fully protect consumers against undesirable tied selling practices of the banking industry. PIAC's recommendations were presented too late to impact on the legislation, but the study still provides useful documentation and analysis of the problem for consumers, and its research process sensitized the banks to the necessity of being more transparent.

6. International Consumer Advocacy on Electronic Commerce (1999-2000) (Public Interest Advocacy Centre)

This project aimed to further the cause of consumer protection in e-commerce at the international level through a combination of activities carried out by PIAC's specialist in the field. Throughout the year she participated in several international conferences and committees, and provided expert input to various Canadian government delegations and business groups on the implications of e-commerce for consumers. PIAC's expert in this field enjoys a remarkably strong reputation and appears to be well known by a high number of stakeholders from consumer groups, government and industry, therefore exercising significant influence on policy development and industry practices.

7. Providing Consumers with Marketplace Information Tools for Sustainable Development (1998-1999) (Environmentally Sound Packaging Coalition of Canada)

This study attempted to cover a wide range of issues related to the role of consumers in a sustainable marketplace, and to identify successful information tools to help them promote sustainable development. The final report presents a series of recommendations, asking the Canadian government to intervene so that consumers are given appropriate choices of green products and packaging, with accurate labeling. This study contributed to enhancing the group's reputation as an expert voice on consumers' role in the promotion of sustainable development.

8. Third Party and Other Verification Services Offered to Consumers in Electronic Commerce (1999-2000) (Consumers Association of Canada)

This study reviewed and compared ten programs, such as "trustmark" and "web seal", offering security assurances for on-line purchase or donation services. It concludes that websites bearing a seal do not guarantee a reliable merchant because some of these assurance schemes offer token protection. As a result of this project, CAC increased its expertise and credibility and was asked to partner with the federal government and other organizations to develop a model for a "seal of seals".

9. Biotechnology Focus Groups: Food Applications (1999-2000) (Consumer's Association of Canada)

The objective of this study was to gather information about biotechnology and to describe the views and concerns of ordinary consumers about biotechnology collected during focus groups. The study findings allowed CAC to influence some industry attitudes and better participate in public debates around food biotechnology issues, namely the labeling of GM food packaging.

10. Submissions to the MacKay Task Force on the Future of the Canadian Financial Services Sector (1997-1998) (Various Projects)

Overall, consumer organizations are considered to have collectively influenced the conclusions of the MacKay Task Force by ensuring a more balanced consideration given to consumer interests. In turn, consumer groups' participation gave them increased knowledge and recognition in the field. As a result, they were solicited to comment on the Task Force's report and participate in other financial sector public discussions.

11. Production of a Consumer Guide on Children Books in the Magazine *Protégez-vous* (1999-2000) (Association des consommateurs du Québec)

This development project produced a consumer guide on children books that was published in the magazine *Protégez-vous*, in the hope that it would secure a permanent service agreement with the magazine for its annual production. The resulting guide was said to be impeccable and professional. But insufficient copies of the guide were sold in stores, thereby discouraging the magazine from signing a service agreement. However, ACQ's Guide had a direct impact on publishers' sales and consumers' purchasing choices, and received very positive exposure in the media. This might increase the likelihood of future service agreements with newspapers and magazines to produce the guide annually.

12. Cooperating with *Protégez-vous* to Produce English Publications for Canadian Consumers (1999-2000) (Consumers' Association of Canada)

This development project studied the feasibility of CAC producing a Canadian consumer magazine as a means to generating advertising revenues. The study showed sufficient interest among governments and associations in purchasing advertising space to make the project viable. As a result of this project, CAC has obtained the rights to translate and publish material from the magazine *Protégez-vous* and a \$120,000 grant from the Literacy Secretariat to launch publication of a Canadian Consumers Magazine.

13. Publication of a Special Report on Housing in the Magazine *Consommation* (1999-2000) (Option consommateurs)

With this development project, Option consommateurs proposed to publish a special report on housing construction in its quarterly *Magazine Consommation*, as a means to increasing its advertising revenues. Resulting sales were not as expected, which led the group to reassess its development strategy and to instead capitalize on its newly acquired network of contacts in the media. As a result of this project, Option consommateurs has already generated \$60,000 in revenue by selling journalistic material and expertise to the media, in particular to the newspaper *La Presse*.

3.3.2 Quality of Projects' Methodology

A key objective of the Contributions Program is to develop organizations' capacity to conduct rigorous research on topics of interest to government. Key informants were therefore asked to comment on the quality of the research conducted by consumer organizations.

Industry Canada Representatives

The quality of the research projects methodology is a factor of particular importance to Industry Canada representatives. An observed increase in the quality of proposals and reports being produced by participating organizations over the years is seen by respondents as an indication of the program's success. Another positive impact of the program is that it has caused groups to adopt a more neutral tone and to let the facts speak for themselves, rather than attempting to over-generalize findings to the entire industry. The requirement that reports be reviewed by an external expert is hoped to contribute to teaching groups some principles of good methodology. The quality of research conducted by consumer organizations is of particular importance because they have more credibility when their claims are supported by verified facts instead of arguments.

Stakeholders

Stakeholders all agree on the importance of consumer groups conducting credible and rigorous research in order to lend credibility to their consumer representative role. While some groups enjoy a good reputation with government and industry stakeholders, none is completely free of criticism. The quality

of research conducted varies from one group to another and depends on factors such as the level of experience and expertise of the organization in the particular field of study, and the competency of the particular staff member or volunteer assigned to the research.

Industry groups appear to be particularly wary of consumer groups which do not base their arguments on verified data and those which focus their research on denouncing industry practices. Examples of flawed methodology on the part of consumer organizations include biased interview questions, insufficiently targeted questions, and non-disclosure of the methodology. However, interviews also revealed several examples of good quality research that earned the praise of all stakeholders.

Both industry and government stakeholders tend to value research based on verified data rather than policy analysis based on secondary sources. They also give more credibility to organizations that show a willingness to consider multiple points of view rather than adopt a confrontational approach. Many respondents also believe that the quality of the groups' research is directly dependent on their flexible use of financial resources. As several pointed out, hiring experienced researchers, or purchasing the services of a consultant or a survey firm for a particular research project, are all very expensive options. An alternative adopted by some groups is to hire young researchers. However, as illustrated by one case study, once they acquire some expertise these staff members risk moving on to a better paying job, thereby draining the expertise away from the organization. On the other hand, young researchers may lack the depth of analysis and experience required to conduct research that stands the test of public scrutiny. Thus, consumer groups tend to specialize in specific research topics because they cannot afford to hire and to keep specialists in several different areas. In sum, quality research is expensive, and according to several respondents most consumer organizations lack the sufficient funds to guarantee that all their research will systematically be of good quality.

External Assessor's Report

An external assessor was hired by Industry Canada to evaluate the final reports of a sample of twenty-one (21) research projects conducted by consumer organizations between 1996 and 2000, and that were supported by Industry Canada research contributions. The assessment was based on the final reports of the project and focussed on the quality of the methodology used by the consumer organizations. They were conducted within six months after the end of the studies.

These assessments were reviewed for this evaluation for additional findings. A summary of these assessments was established using seven (7) criteria chosen by the evaluators: relevance of the project, quality of the methodology, quality of the presentation, quality and relevance of the results, effectiveness of the study in reaching its goals, value of the study for Industry Canada's investment, and potential benefits of the study for different stakeholders.

To assess these criteria, the study team read the reports and rated them according to the assessors comments. Based on these, the evaluators attributed a rating to each criteria, by project. Each of these criteria is rated on a three-point scale, as either weak, medium, or good, based on the evaluator's interpretation of the assessor's views.

Exhibit 3.4: Summary of External Assessor's Reports

	Relevance of Project	Quality of Methodology	Quality of Presentation	Quality/Relevance of Results	Effectiveness in Reaching Goals	Value for Money	Potential Benefits
Good	14 ⁴	11	7	10	11	11	12
Medium	3	4	5	6	3	5	7
Weak	4	5	9	5	7	5	2
N/A	0	1	0	0	0	0	0
Total	21	21	21	21	21	21	21

N=21 projects

Exhibit 3.4 summarizes the results of the assessor’s review. According to results:

- About half of the projects obtained the top rating for most criteria. The criteria “Relevance” and “Potential benefits” were those where most projects got the highest rating.
- A number of projects, however, obtained less than satisfactory assessments in the area of the quality of the presentation (9 projects) , and in the effectiveness in reaching the project’s goals (7 projects).

Overall, it appears that most projects are relevant to the program. However, many (between one-quarter and one-third of the projects) have also experienced difficulties in attaining the expected results. Furthermore, almost half the projects appear to suffer from poor reporting of results. Communications therefore appears to be a key improvement area, at least in terms of the quality of the presentation of the results as they appear in the research reports (i.e., those reported to the Department shortly after project completion – other communication products may have been produced after the review of the External Assessor, according to a federal respondent).

Conclusion

Overall, stakeholders tend to agree that the program has helped consumer groups improve the methodological quality of their research projects, but that results are uneven from one group to another, and even between research projects carried out by the same organization. The perceived quality of the research conducted appears to be dependent on three factors: its reliance on primary data collected, the organization’s willingness to consider various points of view, and the way results are reported and communicated. This latter factor, in particular, is deemed to require some improvements.

3.3.3 Impacts of Research Projects

This section presents the key perceptions and observations provided by key informants on the impacts that the research projects have had on government policies, on the industry, on the organizations themselves, and on Canadian consumers. The next table illustrates the particular areas of impact of each

⁴ The numbers in the cells of the table represent the number of projects that were considered good, medium of weak, according to criteria.

project for which we have conducted a case study. The intent of this section is to provide, at a glance, the list of impacts that these projects have had on government, industry, consumer organizations and consumers. Specific examples from these case studies will be drawn to illustrate the key informant interviews' results.

Exhibit 3.2 Summary of Impacts

	Government		Industry		Consumer Organizations		Consumers	
	Info & Sensitization	Policy Change	Info & Sensitization	Changed Practices	Increased Knowledge & Competency	New Opportunities or Revenues	Info & Sensitization	Behaviour Change
Research Projects								
1. Automobile Retailing (APA)	✓		✓	✓	✓		✓	✓
2. Protection of Private Information (FNACQ)	✓	✓	✓		✓	✓	✓	
3. Dispute Settlement Methods (ACQ)	✓		✓	✓	✓	✓	✓	✓
4. Communications Competition (PIAC)	✓		✓		✓	✓	✓	
5. Tied Selling (PIAC)	✓		✓		✓			
6. E-Commerce (PIAC)	✓	✓	✓	✓	✓	✓		
7. Marketplace Information Tools (ESPC)	✓				✓			
8. E-Commerce (CAC)	✓	EXP.			✓	✓		
9. Biotechnology (CAC)	✓	EXP.	✓		✓	✓	✓	
10. Financial Services	✓	✓	✓	✓	✓	✓	✓	
Development Projects								
11.Children Books Guide(ACQ)	N/A	N/A	N/A	N/A	N/A		N/A	N/A
12.Consumers Guide (CAC)	N/A	N/A	N/A	N/A	N/A	✓	N/A	N/A
13.Report on Housing (OC)	N/A	N/A	N/A	N/A	N/A	✓	N/A	N/A

EXP: Expected

The results shown in this table are only representative of the projects selected for the thirteen (13) case studies and may not necessarily be generalized to the entire program. Nonetheless, some trends appear to emerge from this visual representation of the studies' impacts.

Every research project is deemed to have at least informed and sensitized government to the particular issues being studied. In half of these cases the projects have influenced or are expected to influence government policy. Similarly, almost all research projects are believed to have informed and sensitized industry members and half of these have actually provoked changes in industry practices. The greatest impact remains on consumer organizations themselves, who have all increased their knowledge and competency on specific issues through their research project. More than two thirds of these projects have also provided consumer organizations with new opportunities, such as further research, new partnerships, and requests for their participation in policy discussions, or new sources of revenues, such as the proceeds from selling their report and new service agreements. According to program staff, the revenue impacts of the projects were not expected but are perceived very positively.

Impacts on consumers, however, are less significant. They can be explained by the fact that some research projects were designed more to influence policy than directly change consumer practices; in other cases, it was considered too early to see a measurable impact. Also, for many organizations, assessing their direct impact on consumer behaviour would entail the conduct of surveys, which would require more resources than they have at their disposition.

Finally, of the three development projects evaluated, two demonstrated clear results in terms of additional revenues generated, which is a very positive impact for the program.

3.3.3.1 Impacts on Government Policies

Industry Canada Representatives

As noted by one respondent, the influence of consumer organizations on policy was marginal during the eighties and nineties, but this situation is changing as some organizations are now successfully acting as a "watchdog" and alerting government to some issues. These groups are believed to have had an influence on the new trend to re-regulate, for instance in the areas of financial services, electronic commerce, and the Internet. Also, as a result of the program, groups are better equipped to take part in decision-making processes and are taken more seriously. This is evidenced, for instance, by the public acknowledgement of their contributions by ministers and through letters of thanks. One respondent remarks, however, that organizations' influence could still become stronger, and that their ability to influence the process is linked as much to timing and circumstances as it is to the quality of their research.

Stakeholders

Stakeholders interviewed all believe that consumer organizations have some form of impact on public policy. As one stakeholder points out, when done well, these research projects are able to push the

envelope in public policy. Over the years, consumer groups have brought consumer issues to the fore of public policy thinking so that today there is an almost systematic inclusion of consumer issues into policies. This perspective is supported by the conclusions of Case Study 10, where consumer groups were instrumental in influencing the inclusion of consumer concerns in the report of the MacKay Task Force on the Future of the Canadian Financial Services Sector. One respondent observed that Quebec groups have a particularly strong influence on the Quebec public agenda and that they appear to be particularly politically astute.

However, the extent to which groups are exercising an influence on public policy depends on a few factors:

- First, their level of influence appears to depend on the ***experience and expertise of the particular group in a particular field of consumer issues***. For example, some groups have specialized in the area of e-commerce with their work having an impact on the elaboration of standards and principles, whereas others are more effective on issues such as pricing accuracy and access to banking services.
- Another key factor appears to be the ***communication of the study results*** to the public and to the appropriate government players. Although some groups are called to impact directly on public policy development through participation in working groups and the submission of briefs, some research reports are simply given to Office of Consumer Affairs staff, who in turn distribute them to the relevant government bodies. One stakeholder believes that this constitutes the principal channel for most groups' influence on public policy, whereas a few others have expressed concern about the apparent lack of follow-up of certain project results. According to another respondent, few groups have the leadership and competence to publicize and support their findings publicly. A factor tied to the communication of results is the quality of the presentation of findings in the final report. The external assessor's reports indicate that a number of research reports require improvements in that respect, at least those seen six months after the end of the study (more documents may have been produced later).
- A third factor is the extent to which the research conducted by consumer organizations is ***tailored to the specific information needs of government*** for the design or review of its policies. For example, a respondent from government identified the case of a consumer organization that submitted the results from a research project that had been designed to impact on his department's policies. Although the research was very rigorous and competent, its results were only of limited use to the department by the time they were presented. He believes that the organizations' capacity to contribute to public policy in this case was hindered by its limited financial capacity to address spontaneously new research issues as they came up.
- Finally, some stakeholders from both industry and government believe that consumer groups' influence on government policy is due to the fact that ***policy-makers themselves invite the input of consumers' perspectives***. For instance, one respondent thinks that the federal government uses consumer groups as a crutch to support consumer-friendly legislation. As an example, he points to the bank legislation, where any requests for changes or improvements systematically meant that

consumer groups would be consulted and asked to submit recommendations. Another respondent considers that consumer groups' influence is beyond what would be justified by their degree of representation of consumers. Yet, another respondent believes that consumer organizations collectively influence government policy makers' readiness to consider consumer issues in their deliberations.

Consumer Organizations

Representatives of most consumer groups will say that their research project has had some form of influence on government, from sensitizing it to a particular issue to actually influencing the wording of a new legislation.

Key factors for having an impact on government included timing, the degree to which research is tied to the passing of legislation, and the capacity to publicize results, including access to the key government players. Consumer organizations emphasize the importance of the role played by the Office of Consumer Affairs in disseminating study results among government departments.

Consumer groups' influence on government policies appears to be exercised through four different means:

- ***By representing consumer interests on governmental working groups.*** For example, CAC's research on e-commerce secured it a place with other consumer organizations on a governmental working group to develop a voluntary code on e-commerce. As well, CAC's research on biotechnology in the food industry is relied upon by the organization to take a stand and influence policy. It also sits on the Canadian Biotechnology Advisory Committee and provides input as a consumer representative.
- ***By making formal or informal, oral or written presentations to government committees.*** For example, PIAC's expert on e-commerce had direct input into the development of guidelines at the international level and informs government delegations to different international bodies with regards to e-commerce. Also, the FNACQ's study on the protection of customers' privacy rights is believed to have had an influence on the drafting of the new federal privacy law.
- ***By publishing a report that is read by policy-makers.*** For example, PIAC's report on competition in the Canadian communications industry is used to leverage new government interventions, namely for building a case with CRTC for regulatory intervention.
- ***By developing new products or approaches of particular interest to policy makers.*** For example, ACQ's study on mediation as an alternative to court settlement of disputes in the insurance industry had a significant impact on sensitizing the Quebec government to the importance of mediation in disputes between companies and consumers. As a result, the organization was invited to develop a mediation dispute settlement model for the Quebec Department of Justice.

Conclusion

All stakeholders agree that the research conducted by consumer organizations is having an influence on government. The level of influence they have depends on the quality of the research conducted, but also

on a series of factors including timing and circumstances, experience and expertise of the group in the particular field of study, the effective communication of their results, the fit between the issues researched and government's information needs, and the government's readiness to consider consumers' interests. Also, this influence is exercised through four different means: participation in government working groups, presentations to government committees, publication and dissemination of research reports, and development of products or approaches of interest to policy makers. Overall, consumer organizations are deemed successful at informing and sensitizing government stakeholders about marketplace issues of concern to consumers and, in more limited and particular cases, having an influence on public policy-making.

3.3.3.2 Impacts on Market and Industry

Industry Canada Representatives

Industry Canada representatives interviewed for this research believe that some consumer groups had an influence on some industry sectors. For instance, as a result of some projects, financial institutions will need to provide services to low-income persons. They have also been alerted to problems related to debit-cards. Other projects have provided input to the media, including newspapers and magazines such as *La Presse* and *Protégez-vous*. The program has also given groups some weight and credibility with industry, fostering collaboration and dialogue. According to one respondent, this level of communication departs from the old confrontational culture and enables consumer organizations to have a stronger influence on industry practices. In particular, industry appears to be influenced most when there are repeated findings on the same issue. On the other hand, some research projects produced by consumer groups are mostly geared to inform on issues of public policy, and are therefore less focussed on directly impacting industry stakeholders.

Stakeholders

Stakeholders' opinions are split as to whether consumer groups' research had a significant impact on industry. Very few can think of an instance where a research project had a direct impact on industry practices. When they do, it tends to be phrased more in terms of influence, transmission of useful information, or sensitization to certain issues of concern to consumers. For example, according to one stakeholder, BCE has put more resources into the social aspects of its policy, most likely because of the research conducted by the Public Interest Advocacy Centre and other consumer groups in the area of communications. In the words of one respondent: "the research done by consumer groups becomes the conscience of the industry."

Other examples of impact on industry include Option consommateurs' work on pricing accuracy in Quebec, which has actually changed retail industry practices, and its work with the National Anti-Poverty Organization on access to banking services, which also had a direct impact on financial institutions' practices. Option consommateurs' publication of a Consumer Guide on Children Books also had a direct impact on book publishers' sales.

Stakeholders have identified certain factors that influence the degree of impact consumer organizations are having on industry:

- the number of years of research experience held by the group on a particular sector (one stakeholder believes that it takes at least five years);
- the type of industry they are researching (the strongest impact is observed on the financial sector); and
- the non-confrontational approach adopted by the group (their capacity to examine issues from multiple points of view and to engage in dialogue with industry representatives appears to elicit a better response).

One stakeholder believes that under-funded consumer groups are unable to compete against well-funded industry groups and companies. Another stakeholder points out that business associations are more influenced by consumer groups' research than actual companies or businesses.

Consumer Organizations

The majority of consumer group representatives interviewed had difficulty determining to what degree their research project had an impact on the industry. For several, this assessment would have required follow-up research to document changes in companies' practices. For others, the results of their study were too recent to realistically have made a difference. Most respondents appeared to measure the impact of their research in terms of the reception it received with government bodies rather than its possible direct influence on industry.

However, some case studies show that some projects can have a tangible impact:

- A key example of a research project's direct impact on industry is provided by the Automobile Protection Association study on auto retailing practices in Canada. As a result of that study, the industry implemented measures to improve its retailing practices and one of the manufacturers now imposes financial penalties to retailers guilty of consumer misinformation.
- Also, the Public Interest Advocacy Centre was called to directly provide expert advice and information to business groups on codes and standards for business practice in e-commerce.
- Another case study shows how partnerships with an industry stakeholder can be beneficial. ACQ's research on alternative dispute settlement methods in the insurance industry involved a partnership between ACQ and the Insurance Bureau of Canada. This partnership apparently had an impact on the sensitivity of industry partners to the needs of consumers and to the advantages of mediation-based dispute settlement approaches.

Conclusion

Of all the stakeholders interviewed, Industry Canada representatives appear to be the most convinced of the impact of consumer organizations' research on industry. But in spite of industry and consumer groups' modest appraisal of this impact, case study projects have revealed several examples of direct or indirect influence on industry practices. Consumer organizations have had a particular influence on companies in the financial sector, which might be attributed to the fact that several different groups have tackled this sector for several years and have even partnered on common research projects. Another

success factor frequently mentioned is the groups' non-confrontational approach with industry members.

3.3.3.3 Impacts on Non-Profit Consumer and Volunteer Organizations

Industry Canada Representatives

According to Industry Canada representatives, the program has had several key impacts on consumer organizations. It has improved their professionalism and the quality of their research, as well as their understanding of marketplace and policy issues. In turn, these factors have increased their credibility in the eyes of policy makers, as well as industry and non-profit stakeholders. Also, some provincial organizations were enabled to conduct research on issues of national scope. Another key impact of the program is the increased networking of the groups. The program provided constant encouragement and opportunities for groups to partner on joint projects, thus stimulating communication and consultation among them. Finally, the program has promoted better communication between consumer groups and representatives from the industry, thereby increasing opportunities to find common solutions to problems.

The program is also currently looking at the possibility of dedicating a website to the program and using it to communicate results of projects and archive all reports.

Stakeholders

The great majority of stakeholders consider that the Contributions Program has a positive impact on consumer organizations, in enabling them to play a stronger advocacy role. However, although every stakeholder interviewed believes in the importance of this program for consumer groups, a great number tend to give a rather pessimistic overall assessment of the state of consumer groups in Canada.

One stakeholder portrays the consumer movement as fragmented and lacking in leadership. Several others point out to groups' incapacity to respond in a timely fashion to important research issues because of their financial limitations and their bind to Industry Canada's approved research project. Many consider it a shame that Canada is one of very few industrialized countries without a strong national consumer organization and national consumer publication. Others give examples of how consumer groups lack the capacity to provide the level and quality of input needed by policy-makers. For instance, the MacKay Task Force members considered that the submissions made by consumer groups in the area of financial services, although useful, were not as well researched as expected. As a result, the Task Force hired an academic researcher to produce a research paper documenting the issue from the perspective of consumers.

Explanations for this situation vary widely from one respondent to another. Several point to the fact that consumer groups receive no core funding from the federal government. According to them, this significantly affects their capacity to maximize their research opportunities and the results obtained from their research projects. Several respondents have also mentioned the difficult that consumer groups have in securing funding other than from governments, because of the reluctance of Canadians to support consumer groups financially, and because of the dangers of losing their impartiality if groups accept private sector money.

That said, in general the program is considered to provide much needed support to consumer groups, enabling them to conduct research on consumer-related issues. In turn, this research is generally deemed to better equip consumer groups to provide quality input into public policy and it is considered to give groups more visibility and credibility in the eyes of most public and non-profit stakeholders. For instance, one respondent considers that the program funds enabled some consumer groups to be at the forefront of issues related to biotechnology in Canada. Another mentions that Option consommateurs and the Public Interest Advocacy Centre have increased their knowledge of financial issues with subsequent proposals over the years. The program is also credited with having a positive influence on fostering better cooperation between groups and with other stakeholders, namely members of the industry.

Consumer Organizations

The most frequent response given by consumer organization representatives is that the Contributions program has enabled them to survive. The work conducted by these groups during a given year appeared to be dictated by whatever research project was approved by Industry Canada that year. According to a few respondents, a refusal on the part of Industry Canada to grant at least one of the proposals submitted by a group would likely have catastrophic consequences for that organization's survival. Even groups that have successfully diversified their sources of revenue report that they would be seriously affected by the absence of an Industry Canada funded research project in a given year. A high proportion of respondents pointed out that this program is the only source of government financial support dedicated to consumer issues for groups outside Quebec.

Beyond its role in maintaining the existence of several consumer organizations, the program is also said to be instrumental in developing groups' expertise and research capacity in specific policy areas. It gives them tools and arguments to establish their credibility. For instance, the Public Interest Advocacy Centre's credibility in the area of e-commerce increases with each contribution made in the field. And the Consumers' Association of Canada's contribution to the research on e-commerce earned it an invitation from the federal government to participate in a working group on a voluntary code for e-commerce. The program is also said to have enabled partnerships of organizations to uncover issues such as the impact of airline mergers.

However, respondents are unanimous in saying that the program's envelope is insufficient to empower consumer organizations to meet effectively the program's objectives. According to some respondents, Canada's support to the consumer movement pales in comparison to that of other countries. European consumer organizations tend to receive public funding, whereas in the United States a strong tradition of philanthropic support has enabled foundations to adequately support consumer advocacy activities. No such tradition appears to exist in Canada.

Conclusion

In summary, the program is deemed by respondents to have had a positive impact on consumer organizations' capacity to produce quality research and to provide useful input into public policy. It has

also increased their visibility and credibility with government and industry stakeholders, as well as fostered better cooperation among consumer organizations and with government and industry members. The program has also played a key role in enabling consumer organizations to survive. However, not all groups appear to have equally improved their capacity to represent consumer interests. Some organizations received criticism for the weakness of their methodology and for a perceived lack of objectivity, a criticism that is consistent with some of the external assessor's reports.

3.3.3.4 Program Impacts on Consumers

All key informants interviewed indicated that the direct impact of the program on consumers is difficult to measure. The majority of stakeholders either cannot specify what impact these projects are having on consumers or conclude that the impact was indirect.

According to several respondents, in most cases the effect on consumers will not be measurable before there has been a few years of continuous and repeated research on the same topic. Measuring such impacts also requires resources and should be, in itself, the focus of a follow-up project. According to one government respondent, the groups' influence on consumers is not as strong because the reports produced are not designed to become public information, but more to inform public policy professionals. Moreover, having an impact on consumers is difficult because it requires mass-marketing efforts that are beyond the budgets of these groups. One respondent believes that the majority of consumers are not aware of the research work done by consumer organizations. Exceptions to this trend are research projects that grant consumer organizations high visibility in the media. For instance, the Automobile Protection Association study on the retailing practices of new car dealers made more than one million Canadians aware of the study's main results.

3.3.4 Results and Impacts of Development Projects

The objective of the program's Development Contributions is to help consumer groups explore ways to strengthen their capacity to diversify their revenue sources and to increase their level of self-sufficiency. This section examines the functioning and impacts of this component of the Contributions Program, as illustrated by three case studies.

A total envelope of \$50,000 is awarded every year for development projects. A small number of development projects were approved during the two program years being covered for this component of the evaluation. Two (2) projects were approved in 1998-1999. According to program staff, these first projects were not very representative of the intent of the development contributions and were therefore not selected for the purpose of this evaluation. Three (3) development projects were funded in the year 1999-2000 and they were all selected for our case studies.

Industry Canada Representatives

According to Industry Canada representatives, development projects are awarded to help groups think more in business terms and revise the management of their organization. The program expects consumer groups to demand compensation for their services and products as a source of revenue. It allows them

to test new ideas for doing so without risking their core budget. Development projects are not a guaranteed source of income but an important component to give groups some momentum and consolidate their initial investments. According to one respondent, the program does not meet the level of demand for this type of fund, which is good because it encourages competition and demand.

According to another respondent, program management has been a bit sceptical about this type of project. He finds the impact of the funding questionable because it appears that some organizations build the development contribution into their core-funding and have a “business as usual” approach. As a result, program management have recently raised the requirements and are asking the organizations to establish business plans. However, other representatives of Industry Canada consider the program’s development contributions to have been successful. Considering the overall low success rate of new marketing products on the Canadian market, one respondent considers that it is normal to expect a high failure rate of consumer organizations’ experiments in generating new revenue sources. The program enables them to take risks that they would not be able to take without the support of development contributions. He considers the results from the three case studies as having surpassed the program’s expectations, especially given the small amounts of contributions awarded.

Consumer Organizations: Results from Case Studies

Information collected on the three development projects shows that for these three projects, the development contributions were all dedicated to specific development activities. ACQ produced a consumer guide on children’s books in the hope of securing a service agreement for its annual publication in the magazine *Protégez-vous*. The Consumers’ Association of Canada conducted a feasibility study on the advertising revenue potential of publishing a Canadian consumer magazine. Option consommateurs published a special report on housing in its *Magazine Consommation*, in the hope of increasing its advertising revenues.

According to consumer representatives, their development projects each yielded tangible and useful results:

- ACQ’s consumer guide on children’s books did not produce the expected sales revenues and therefore did not result in a service agreement. However, the guide was distributed in over 200,000 households, was very well received by the publishing industry and consumers, and received significant media attention. The group hopes that this positive visibility will enable it to find a media partner who will support the publication of the guide. Of the three projects, this one appears to have produced the most limited immediate results in terms of new revenues generated. However, the positive exposure that it has given the organization is in itself an impact that is not negligible.
- The Consumers’ Association of Canada’s feasibility study confirmed the viability of its project to publish a Canadian consumer magazine. As a result, it has already secured an agreement with *Protégez-vous* to translate and publish its available material. The feasibility study also enabled CAC to secure a \$120,000 grant from the National Literacy Secretariat. Implementation of a business plan is already underway and CAC expects its magazine to be self-sustainable within three years. Without the initial development contribution, CAC would not have been able to produce a feasibility study and subsequently secure a grant for the implementation of its project. This case is a clear example

of the successful impact of the program on fostering the organization's viability and financial autonomy.

- Option consommateurs' publication of a special report on housing did not generate the expected additional advertising revenues. However, the project enabled the organization to conclude once and for all that advertising in general was not a viable source of revenue for the group. As a result, the organization reassessed its strategic orientation and chose instead to capitalize on the networking it had developed with the media during the course of the development project. As a result, Option consommateurs has to date generated \$60,000 in revenues from service agreements with newspapers and magazines, in particular the newspaper *La Presse*. In this case, a development contribution allowed the organization to test an idea (it covered the cost of production and impression of the special report) and subsequently decide to discard it. In itself, this outcome has the merit of having enabled the organization to rapidly change its focus and invest its revenue generation energies elsewhere. An unexpected outcome of this project has been the new relationships created between the organization and members of the media, which have led to a new ongoing source of revenue for the organization. This project can therefore be deemed a success.

A few key observations can be made based on these three development project cases. First, it appears that tangible results in terms of additional revenues are rarely felt immediately at the end of the project. The projects examined show concrete potential but only one has yet translated into revenues. Their success must therefore also be examined in terms of the potential created.

Second, it seems that in order to translate these development activities into concrete sources of revenues, some follow-up efforts must be undertaken by the organisations. In other words, the group must be ready to invest beyond the contribution given by Industry Canada. In two cases, these follow-up efforts have already yielded positive results, and the possibility of such success is still not excluded for the third case.

Although the sample of development projects studied is too small to support general conclusions as to the impacts of this component of the Contributions Program, the three cases studied provide rich examples of the possible benefits of development contributions for the consumer organizations.

4.0 Conclusions and Recommendations

4.1 Conclusions

The document review, stakeholder interviews and case studies yielded a number of results. These led to a number of conclusions, that may be divided in terms of strengths/success factors and challenges/opportunities, both for the program and for consumer organizations.

Strengths /Success Factors of the Program

- **Relevance of the program:** According to all sources, the Contributions Program clearly meets tangible needs on the part of government, industry, consumer organizations and consumer. In addition to providing policy-makers with useful research on consumer issues and fostering better collaboration with industry stakeholders, the Contributions Program plays a key role in the **capacity building** of the consumer movement in Canada. Given its limited budget, the strength of the industry, and the fragility of the consumer groups, this program is exceptionally successful in ensuring their development and in giving a voice to consumer interests in Canada.
- **The support given by program staff to consumer organizations:** The support provided by the program to its participants is outstanding. Feedback provided through annual meetings with consumer organizations is a key practice to ensure that lessons are learned from each project and can translate into improved research. The constant availability of program staff to provide advice and guidance throughout the cycle of the project has helped groups improve their proposals and their research work. The support of the program is a key factor in the sustainability and development of the consumer movement in Canada and, as such, is a key factor in the success of the program.
- **The proposal review process:** A particularly strong component of this program is its extensive process for reviewing applications. It involves three review stages, conducted by program staff, external reviewers, as well as program management. This process is perceived to be fair and efficient by the majority of respondents.
- **The mandatory review of methodology by an external evaluator:** Given most organizations' limited resources, the requirement for an external review of their projects' methodology is a useful incentive and a source of guidance to ensure that their research is of high quality and can stand the test of public scrutiny. This in turn will benefit both the organizations, the program, and the stakeholders.

Strengths / Success Factors for Consumer Organizations

- **Sustained, collaborative efforts in specific sectors of consumer interests:** The pooling and combination of efforts and resources on the part of consumer organizations on certain research topics has given the consumer movement more weight and credibility in the eyes of government and especially industry members. This impact is even more tangible when research projects on the same topics are conducted repeatedly over several years. This is particularly evident in the financial sector,

where several organizations have successfully had an impact on issues such as access to banking services for disadvantaged citizens.

- ***Specialization of consumer organizations on specific consumer issues and research areas:*** Repeated research over several years on the same area of consumer issues helps consumer groups develop experience and in-house expertise, as well as gain more credibility in the eyes of government and industry stakeholders. Given their limited resources, consumer groups are unable to become generalists. By specializing, they increase their capacity to conduct good research and to defend specific consumer interests more effectively.
- ***Collaborative and non-adversarial communications between consumer organizations and industry:*** Organizations that have demonstrated willingness and capacity to consider multiple points of view were rewarded with invitations to participate in joint policy discussions and industry advisory committees. This non-confrontational approach was a successful enabling condition for collaborative projects between consumer organizations and industry members.
- ***Research relying on primary data collected:*** Both industry and government stakeholders tend to grant more weight to argumentation that is based on what they consider to be “hard data” as opposed to a review of secondary sources. Consumer organizations that were successful in collecting solid data to support their recommendations were generally well received and their conclusions were respected, even by industry stakeholders affected by the research.

Challenges/Opportunities for the Program

- ***Scope and size of program clientele:*** Although the clientele reached by the program is generally deemed to be appropriate, some respondents expressed the wish for a wider selection of organizations capable of participating in the program. This poses a challenge for the program because there exists a limited number of consumer and voluntary groups able to submit winning proposals, and because additional participants would reduce the amounts awarded to existing consumer organizations. Unless the program widens its eligibility criteria to include academic researchers and private consultants, it will be difficult to increase its pool of potential researchers on consumer issues.
- ***Recruitment of external reviewers for applications:*** Overall, respondents were satisfied with the proposal application and selection process, which they perceived to be fair and efficient. The external reviewers do not have a final say over the selection but play a key advisory role for the program. However, there appears to be difficulties in recruiting neutral, yet qualified, external reviewers for the research project applications. The pool of people knowledgeable about consumer affairs outside participating organizations is rather small, which poses a particular challenge for the program.
- ***Definition of research priorities:*** The definition of research priorities is conducted by the department in consultation with other provinces but does not include a formal consultation of consumer organizations. This has implications for the capacity of consumer organizations to produce the desired research. They have expressed the wish to be consulted in order for their

particular knowledge of consumers' information needs to be taken into account in the definition of those priorities.

- **Monitoring of the program:** Monitoring of the program appears to pose a certain number of challenges for program staff. The quarterly reports requested during the course of the project are often late. This is due in part to consumer organizations' limited resources (most of their staff are volunteers) and little expertise in management. It is also due to the fact that some organizations consider the requirement excessive, especially given the small amount of money awarded. Because of its own accountability requirements, the program feels that it cannot simplify further its monitoring mechanisms. With the exception of the final report, current quarterly reports requested are limited to a one-page statement of budget and activities.
- **Limitations of the program's single annual proposal format:** The fact that they can submit applications only once a year is considered by a great number of organizations and stakeholders to limit considerably the groups' capacity to focus their research efforts on the most timely issues, a challenge that they feel would be addressed by multiple rounds of applications during the year. With the current format, organizations must wait up to an entire year in order to request funding for new research opportunities, which is often to the detriment of a timely coverage of important marketplace issues or of a quick follow-up on preliminary findings from current research. This also limits the capacity of consumer organizations to tailor their research to address the most current marketplace issues for consumers.
- **Limited alternatives to the Contributions Program:** The Contributions Program is the only source of federal support for consumer research and consumer organizations in Canada. The *Office de protection des consommateurs* has a core funding program for Québec consumer organizations. The yearly budget of the program totals \$500,000 and provides funding to approximately 40 organizations. The only other sources of public funding for consumer organizations are occasional grants from federal or provincial departments for specific research or development projects. Unlike the United States, where there is a strong tradition of foundation support to consumer groups, and European countries, that generally offer substantial public funds to their consumer movements, Canada provides few resources to sustain its consumer organisations. They also traditionally have not been able to rely on donations from the Canadian public, nor on support from the private sector because it would compromise their independence. Canadian consumer organizations are therefore faced with the challenge of selling their services and products to ensure their sustainability. However, the program might discover other alternatives through consultation with other similar programs and participation in multi-sectoral initiatives such as the Voluntary Sector Roundtable.
- **On-going effort to increase the quality of funded research:** Although tangible efforts are already being made by the program to improve the quality of the research produced by consumer organizations (independent assessment of 25 percent of final reports produced each year, mandatory external review of the methodology of each research study, and annual feedback to consumer organizations on their research results), the need remains for ongoing efforts to ensure that all research produced is systematically of high quality.

- **Assessment of impacts:** Some research projects have had tangible impacts on government policies and the industry, and in themselves probably justify the existence of this program. But for the majority of projects studied, concrete impacts remain difficult to measure. However, this does not necessarily mean that the impacts are non-existent. In some cases, it was due to the fact that many other factors could have influenced the desired outcome, which makes it very difficult to measure the incremental impacts of projects. In other cases, the projects are only expected to produce long-term impacts, which are not yet measurable.

Challenges / Opportunities for Consumer Organizations

- **Communication of results:** A key area for improvement identified by stakeholders is the groups' capacity to communicate effectively the results of their research to the public and to the appropriate government players. This includes the presentation of the findings, the key target clientele identified, and the means chosen to disseminate the results. Some groups are called to impact directly on public policy development through participation in working groups and the submission of briefs. However, some research reports are simply given to Office of Consumer Affairs staff, who in turn distribute them to the relevant government bodies. This channel does not appear to be sufficient to ensure the groups' influence on public policy, the industry, and consumers.
- **Importance of archiving for consumer organizations:** Because of high staff turn over and limited administrative resources, consumer organizations are often unable to systematically log and archive their activities, presentations, and reports. It is however important for these groups to keep an updated documentation of their outputs because these constitute their corporate memory and their main promotion tool.
- **Financial autonomy:** Consumer organizations in Canada have very few sources of revenues other than the Contributions Program. This makes them very dependent on the program's research and development contributions for their survival and for their capacity to conduct research on specific consumer issues. They are therefore tied to the program's single annual proposal format and to the research topics approved. This limited financial autonomy limits their capacity to tackle new issues in a timely fashion and their capacity to answer requests or meet specific needs from government departments. Uncertainty of funding, in addition to low budgets, also limit the groups' capacity to hire and retain qualified researchers, as well as their capacity to hire outside research expertise. Finally, this also has an impact on their capacity to conduct administrative tasks, such as reporting quarterly on their projects and archiving their reports and documents. Given these challenges, consumer organizations are surprisingly successful at conducting such elaborate research projects. Their success is in large part attributable to the efforts and dedication of their staff and volunteers.

4.2 Recommendations

In light of the results and conclusions from this evaluation, we propose the following recommendations:

Definition of Program Research Priorities

One key observation made by several respondents is that consumer organizations are not consulted on the definition of the program's annual research priorities. Through their research and activities on consumer issues, consumer organizations develop a keen awareness of consumer needs and interests. The Department could benefit from the organizations' knowledge and expertise in defining its research priorities. ***We therefore recommend that consultations be conducted with consumer organizations before the annual priorities are set for the funded projects.***

Application and Selection Process

Program management have indicated that they were considering developing an electronic application process in the hope of facilitating the process both for consumer groups and for program staff. This appears to be an interesting idea. However, not all organizations are equipped with computers and therefore not all are likely to benefit from such an option. ***We therefore recommend that the consumer organizations be consulted on the concept to ensure that it meets their needs, and on the design of such an instrument to ensure that it addresses all possible challenges, such as, for instance, the need for submitting some paper documents by fax.***

Communication of Results

Overall, interviewees tend to conclude that the consumer organizations' capacity to produce good quality research has improved as a result of the program's efforts in that respect. However, the external assessor's reports, supported by testimonies from key informants and concrete examples from case studies, show a general weakness in the groups' ability to communicate the results from their research. This weakness prevents both the organizations and Industry Canada from reaping all the benefits of the research produced. The program has been successful in improving the projects' research methodology. The key challenge now appears to lie in the organizations' capacity to communicate their results. According to several respondents, the follow-up given to the projects, both by consumer groups and by Industry Canada, is insufficient to maximize their impact and potential. ***We suggest that Industry Canada address this challenge by modifying the program's requirements to include a more detailed communication plan. Program applicants would thus be required to specify the means by which they will communicate the results of their study, as well as the specific consumer, government and industry organizations targeted. The projects' budgets would have to include adequate funds to support these communication activities. We also recommend that Industry Canada specify, in its agreements with the consumer organizations, the specific steps it intends to take to promote their research results with other government stakeholders.***

Resources for Hiring Outside Research Expertise

Evaluation results demonstrated that consumer groups' budgets limit their capacity to hire and retain experienced and competent researchers, which in turn impacts on their capacity to produce good quality research. It is our opinion that, in order to conduct the level of high quality research demanded by the program, some consumer groups need to hire private consultants or academic researchers. This practice is already adopted by some organizations, but most often to hire the services of survey companies, which

are limited to administering the surveys and do not include the design of questionnaires or analysis of the results. Because professional research services are expensive, most organizations attempt to conduct the research in-house. ***We therefore recommend that the Program encourage the use of professional researchers and provide sufficient funds to enable consumer organizations to purchase adequate expertise to conduct their research.*** This practice will in turn contribute to the sustainability of an increased research capacity on consumer issues.

Impacts of Development Projects

The development projects studied showed that tangible results in terms of additional revenues are rarely felt immediately at the end of the project. Some follow-up efforts are often required by organizations to translate their initial development activities into additional sources of revenues. Not every group may be capable of investing the additional resources and expertise required to maximize the benefits from a development project. This conclusion raises the need for Industry Canada to re-examine this component of its Contributions Program in terms of the additional support it can provide to organizations. ***In response, we suggest that the program explore alternative ways of helping these organizations become more self-sufficient. For example, it could conduct a review of best practices in the area of income generation by non-profit organizations, in order to provide consumer groups with some useful tips on how to generate revenues and how to manage these additional funds.***

NOTE:

Minor editorial changes were made to this report in order to prepare the document for posting to the Internet (including removal of standard Appendices such as list of interviewees and questionnaires). Readers wishing to receive a copy of the original version of this report should contact the Audit and Evaluation Branch at Industry Canada.