

## **Toward New Voluntary Sector-Government of the NWT Relationships and Funding Arrangements**

Both research participants from volunteer groups and the GNWT believe that better relationships and funding arrangements can improve the chances of meeting community social, cultural and economic needs.

### **Impacts on communities of existing relationships and funding arrangements.**

- Unequal access to programs and services in small and large communities.
- Programs and services are unavailable even when they are needed the most.
- Community input is ignored in public policies and programs.
- NWT residents may not get appropriate programs and services.
- Gaps in services are created and more northerners ‘fall through the cracks’.
- Public policy and programs may not reflect the realities of NWT communities.

### **Relationship and funding issues identified by volunteer groups.**

1. Insufficient project funds.
2. Inadequate project administration and core funds.
3. Delayed release of project funds.
4. Lack of multi-year funding.
5. More demanding and often lengthy funding application, approval and accountability processes.
6. Lack of current information and opportunities to participate in policy and program development.

While these issues affect voluntary organizations across the country, the impacts are more severe for groups in the NWT, Nunavut and Yukon.<sup>1</sup>

### **Relationship and funding issues identified by GNWT departments.**

1. GNWT tends to define voluntary organizations by dividing them into four types of groups, depending on whether they deliver services, are mandated by the government, or whether their services are valued, but not government priorities.
2. The *NWT Volunteer Support Initiative* (NWT VSI) and the *GNWT Declaration on Volunteering* are tools that so far are not making a difference in financing issues and relationships.
3. Understanding and promotion of the voluntary sector, its contributions and government-sector partnerships are weak.
4. Ongoing dialogue and consultation are lacking.
5. Clear policy direction, mentorship opportunities, shared training opportunities and co-operative outreach activities could stabilize and strengthen the capacity of voluntary organizations.

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<sup>1</sup> Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations. 2003. Statistics Canada.

6. Administrative and program funding are not keeping pace with inflation or costs.
7. Rather than core funding less restrictive administrative funding may be a better alternative.
8. Sector training, better communication, and simpler funding process might improve timeliness and clarity of funding processes.
9. Multi-year agreements could be conditional on 'good standing' and subject to the approval of the Main Estimates by the Legislative Assembly.

### **Recommendations**

1. Municipal and Community Affairs (MACA) increase its investment in, and priority to the implementation of the *NWT VSI 2005-2008 Action Plan*.
2. A joint GNWT and voluntary sector policy group be established to work out a policy framework that promotes new ways to fund and account for public funds spent in the voluntary sector, and support new relationships between the two sectors.
3. In collaboration with the voluntary sector, MACA develop a policy to guide core and project funding and other financial and in-kind supports for the voluntary sector.
4. The Financial Management Board Secretariat (FMBS) give clear direction for, and insist on consistent funding accountability practices with voluntary organizations, and monitor and report annually on how these practices are exercised throughout the GNWT.
5. The FMBS direct all GNWT departments to:
  - allow no less than 12% of project funding for the administrative costs of the projects they fund in the voluntary sector.
  - facilitate access to multi-year funding among voluntary organizations.
  - clearly address the "forced growth"<sup>2</sup> requirements of voluntary organizations with ongoing and multi-year funding arrangements with the GNWT.
6. The GNWT match the federal government's level of funding to Volunteer NWT.
7. The GNWT and the NWT voluntary sector plan and strengthen inter-sector communication and promotional efforts.

Source: *Toward New Voluntary Sector-Government of the NWT Relationships and Funding Arrangements*. Finance Action Group. 2006. Funded by the Voluntary Sector Forum and GNWT Municipal and Community Affairs.

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<sup>2</sup> 'Forced growth' costs are the "hard-to-control" increases in government's costs of providing its programs and services. These costs are usually due to factors such as population increases, utility cost increases, inflation and additional operational or maintenance costs because of new community infrastructure.