



Building Momentum for Social Impact

Premier's Council on Charities and
Civil Society

This report presents key findings from the engagements of the Premier's Council on Charities and Civil Society and offers advice on how civil society and government can work together to address challenges faced by civil society.

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Executive Summary

In early 2022, the Premier's Council on Charities and Civil Society (the Council) met to discuss priorities for the coming year, based on its mandate and Strategic Plan. That resulted in a decision to remain focused on key priorities already identified by civil society partners in our 2020 report, *Moving Forward: Charting a Path to Civil Society Recovery*.

The Council met again over the spring months to design an engagement process. From late September to late November, the Council engaged civil society organizations and leaders to listen and learn about key challenges and opportunities for civil society by focusing on the four key areas of (1) *financial sustainability and resiliency*, (2) *collaboration, coordination and integration of services*, (3) *research and data*, and (4) *organizational transformation*. The engagement sessions enabled civil society organizations and the Council to assess current status, barriers to further progress, and explore shared solutions. This report reflects our analysis of that rich input from our civil society partners and provides high-level advice on how civil society and the Government of Alberta can move forward – together – on shared solutions. *Collaboration* is a foundational theme in the Council's engagement and a common ingredient in sustained solutions.

Key Findings

The results of the targeted engagement showed that there are specific barriers that reduce civil society's impact in fostering social and economic well-being. These include:

- **Lack of collaboration**: Participants identified a need for increased collaboration amongst civil society organizations to effectively address pervasive social issues. Increased collaboration and coordination amongst civil society organizations can prevent duplication of efforts and lead to more comprehensive and impactful services. Yet, civil society's collaborative efforts can be hindered by lack of data on the sector, capacity limitations, and funding approaches that promote competition. Despite these challenges, there are notable examples of effective collaborations amongst civil society organizations. The government should continue to encourage and support collaboration in civil society. Meanwhile, the lack of collaboration between civil society and government(s) results in insufficient information on the current state of civil society, the issues facing communities and, ultimately, limited progress on key priorities. Collaboration within government is also critical, and ministries with significant relationships with civil society should enhance their collaborative efforts.
- **Financial sustainability**: Funding adequacy is a major concern, particularly where funding is limited to direct delivery of services and does not enable organizations to adequately cover basic organizational needs or improve operations. Financial sustainability can also be negatively impacted by factors such as competitive funding approaches and short-term and inflexible funding agreements. The fundraising environment many organizations have traditionally relied on is increasingly uncertain. Finally, organizations pursuing revenue from social

enterprise activity or exploring new social financing opportunities may still encounter insufficient start-up capital, lack of organizational capacity or expertise, or feel unable to take on new risks given the immediate, often urgent, needs of clients.

- **Research and data:** Civil society organizations are limited in their capacity to conduct research and collect and analyze data for evaluative or reporting purposes. There is also limited data available on the state of the non-profit and voluntary sector in the province, the dynamic needs of communities, and the extent to which those needs are met. This lack of relevant research and timely data limits both government and civil society’s efforts to improve program outcomes and address social challenges. The government is uniquely positioned to support civil society’s research and data efforts and collect, analyze, and disseminate relevant data to empower organizations.
- **Capacity challenges:** Civil society is facing a workforce crisis brought on by high turnover rates, burnout or fatigue, and a decreasing volunteer pool at the same time as the demand for services is increasing. Constrained by limited financial resources and limited flexibility within contract or grant agreements, many civil society organizations are unable to offer competitive compensation packages to attract and retain skilled staff or invest in professional development opportunities for their staff. This limits organizations’ ability to innovate, adapt, and increase their impact.

Advice to the Minister

There is a need for civil society and the government to continue working collaboratively to increase the social impact of services and supports over time.

The table below outlines three main areas where this collaboration can create lasting impact, along with key opportunities to advance the work in each area. This advice is intentionally broad and high-level; a commitment to further, ongoing dialogue will be required to develop practical and sustainable solutions.

Civil Society	Government of Alberta
Funding and Financial Sustainability	
<ul style="list-style-type: none"> • Seeking new opportunities for collaborations or unexplored opportunities to coordinate services, to add to and complement those currently in place. • Building fundraising capacity and financial resilience. 	<ul style="list-style-type: none"> • Encouraging collaboration amongst civil society organizations. • Providing longer term and flexible funding. • Engaging with civil society funders. • Streamlining reporting requirements. • Ensuring the legislative environment fully enables social enterprise. • Training staff on social enterprise and finance.
Research and Data	
<ul style="list-style-type: none"> • Developing a Research and Data strategy. • Developing capacity for research and data collection and analysis. 	<ul style="list-style-type: none"> • Funding for a non-profit sector data strategy. • Funding for organizational research and data activities. • Coordinating government data gathering and analysis.

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- Strengthening organizations' evaluation culture.
 - Investing in digital infrastructure.

- Supporting on-going "sector mapping".

Capacity Development

- Expanding civil society's overall capacity.
- Continuing efforts to deepen collaboration with private/corporate sector actors.
- Expanding staff capacity and skills.
- Recruiting and developing strategic minded boards to ensure effective governance.
- Engaging in succession planning.

- Funding and resources to support capacity building.
- Exploring the opportunity to co-develop a new workforce strategy.
- Expanding capacity to respond to civil society's needs.
- Facilitating regular information sharing and knowledge.

Message from the Chair

On behalf of the Premier's Council on Charities and Civil Society, I want to thank the Government of Alberta for its commitment to partnering with civil society to address social issues. Our Council's role is to provide advice on strengthening this partnership and empowering civil society to do what it does best, namely, help build strong, resilient and caring communities where all Albertans can thrive.

In this community building effort, I often say "civil society comes first." There's broad consensus that government can't always know the details of what Albertans in Medicine Hat, Red Deer or Grande Prairie – let alone High Level, Three Hills or Onoway – need. And it isn't always in the best position to address issues facing communities and their residents, which are unique and always evolve.

Government has a critical role, but it can't do everything, and it can't accomplish it alone. Community-building is best led by communities – by the civil society organizations that are the core of every community. In other words, "civil society comes first". Ensuring civil society can flourish is the key to social impact.

Helping government understand the challenges or barriers civil society actors face, and how government can help address these challenges, is the core purpose of the Council and of this report. The Council's previous reports identified a number of key challenges facing civil society, as well as corresponding opportunities to support civil society's recovery and future capacity building efforts. Council members also knew from our own experiences and networks in civil society that while important progress is being made and pockets of excellence and innovation are emerging, those basic challenges remain.

Our advice emphasizes the foundational importance of *collaboration* in solving challenges. This emphasis reflects that engagement participants clearly indicated civil society's readiness for a full partnership. But it also reflects the complexity of the challenges. Each of the challenges will require further dialogue to develop specific solutions suitable to different sub-sectors, regions, or ministries. I hope our advice provides an agenda for that dialogue, and direction for at least some of the key steps civil society and government can take together.

The Council is grateful for the commitment, time and wisdom of the civil society leaders that helped us assess progress, identify barriers and root causes, and collaboratively explore solutions. I hope participants benefited from the process and recognize their input in our report and its advice. I want to thank my fellow Council members for their contributions to this work, including former members Joanne Mason and Rabbi Menachem Matusof. Finally, I want to extend the Council's thanks to the Council Secretariat and our expert facilitators from the Ministry of Culture.

Thank you,

Dr. Joel Christie

Chair, Premier's Council on Charities and Civil Society

Introduction

The Premier's Council on Charities and Civil Society is part of the government's commitment to harness the power of civil society to address social challenges. This commitment builds on Alberta's rich tradition of volunteerism, charitable giving, and communities coming together to solve problems.

The Council was formally established in February 2020 to provide advice to government on its relationship with civil society organizations that are addressing pressing social issues in Alberta. Civil society includes a diverse and evolving array of organizations and individuals, including established non-profit organizations and charities, as well as informal groups or movements pursuing shared interests. It also includes individuals and organizations from the business or private sector seeking positive social impact.

The Council is accountable to the Premier through the Minister of Seniors, Community and Social Services. Its core mandate includes:

- engaging civil society organizations to explore how these organizations can be empowered in solving pressing social issues
- leading consultation on how government can help build civil society capacity
- providing advice regarding the ways the Government of Alberta influences and impacts civil society organizations
- advising government on how to support social enterprises
- developing a framework for government's partnership with civil society

Council Vision and Mission

Vision: Government and civil society work in partnership to build strong, resilient and caring communities where all Albertans can thrive.

Mission: To engage with civil society and provide bold, informed and strategic advice to the Government of Alberta on its relationship with civil society, and how civil society can flourish in addressing pressing social issues.

Council Membership

Council members come from a variety of communities across Alberta and bring expertise from numerous social sectors as well as social entrepreneurship, fundraising, philanthropy, and community development.

Dr. Joel Christie, Chair
Liz O'Neill, Vice-Chair
Jackie Lovely, MLA (Camrose)
Wayne Chiu
Chris Christie
Hyder Hassan

Dr. John Lilley
Ashif Mawji
Lori Paine
Michele Taylor
Dr. Benny Xu

Engagement Process

The Council met in early 2022 to set its priorities for the year. The Council decided to conduct a follow-up engagement on the priorities for civil society recovery and capacity building identified in its 2020 *Moving Forward* report. These same themes informed the funding priorities of the government's Civil Society Fund:

- Coordination and collaboration (system infrastructure)
- Civil society research and data
- Organizational transformation
- Financial sustainability and resilience

Process and Approach

Led by the Council's Stakeholder Relations Subcommittee, chaired by Vice-Chair Liz O'Neill, the Council designed a targeted and phased engagement approach that involved the Council convening civil society partners to listen, learn and reflect on these four themes. The engagement approach also enabled the Council and engagement participants to identify barriers to progress and possible solutions.

In **Phase 1** of the engagement, the Council identified 3 to 4 panelists who are actively or uniquely engaged in the work of one of the four themes and willing to share their experiences during four *Listening Cafés*. Limiting the number of panelists for these sessions was important to manage the engagement scope and timelines and ensure a rich conversation. The Council sought panelists from organizations of different size, sub-sectors, and communities. To complement these panelists, the Council also invited approximately 60 civil organizations or community leaders to attend, listen to the panelists, and contribute to the conversation. A list of panelists and other participants who attended the engagement sessions can be found in Appendix A, and key engagement questions are included in Appendix B.

After consolidating the key themes from these four listening cafés, panelists and the other participants were invited back for **Phase 2** of the engagement. This phase involved a facilitated, virtual (using Mural) workshop to collaboratively identify barriers, root causes, and possible solutions. Following the workshop, the Council met again to reflect on what they had heard and begin crafting its advice. The Council identified a number of considerations or principles that would guide their advice:

- Focus on a small number of areas or ideas with the potential for broad and sustained impact;
- Provide high-level, "directional" advice that balances the need to be concrete and specific with the recognition that additional work may be required to assess impacts and determine next steps; and
- Generate advice that helps set the agenda for further dialogue to reinforce the value of collaboration between civil society and government.

Finally, in early 2023, the Council convened again for **Phase 3** of the engagement, which involved finalizing this report. An overview of the phased engagement is included in Figure 1 below.

Figure 1: Engagement Overview



Engagement Highlights – What We Heard

As highlighted in the Council’s 2020 *Moving Forward* report, the pandemic created service delivery and operational challenges for civil society organizations. At the same time, issues such as homelessness, food insecurity, mental health, addictions and domestic violence were exacerbated, leading to an increased demand for services, the necessity of new service models, workforce and financial challenges. Despite these challenges, civil society organizations demonstrated resiliency in serving their communities and adapting their services.

As the province continues its recovery and looks to the future, civil society continues to play an integral role in building strong, resilient and caring communities, where all Albertans can thrive. This vision requires a renewed commitment by civil society and government – working together – to address the complex, interrelated social challenges many Albertans face.

Based on its analysis of the engagement input, the Council identified four key themes or issues impacting civil society’s recovery and future capacity building efforts. The first and most foundational is *collaboration*. The Council clearly heard that collaboration has intrinsic value in affirming the unique but complementary roles in government’s partnership with civil society and in building a culture of trust. More practically, we also heard that collaborative approaches are key to successfully addressing specific challenges or making progress in priority areas. The summary analysis of what we heard in the engagement presents collaboration as both a foundational theme – a key “enabler” -- and a practical tool in addressing three other critical and complementary issues: funding and financial sustainability, research and data, and capacity development. A sample of the input from Phase 2 of the engagement is included in Appendix C, reflecting the Council’s assessment of the *most prominent and promising themes*.

Collaboration - A Strong Foundation

Key engagement input: *Multi-sector, multi-ministry service collaboration with client at the centre.* (pg. 26)

Input from the Council’s engagement highlights the need for increased collaboration as a response to challenges faced by virtually all civil society organizations. This key finding was also highlighted in the Council’s *Moving Forward* and *Supporting Women’s Economic Recovery* (2021) reports. Civil society leaders identified an urgent need for greater collaboration amongst civil society organizations, between the Government of Alberta and civil society, and between government ministries. Increased collaboration in these three areas will provide the foundation for lasting and positive change.

Collaboration amongst civil society organizations: In a post-pandemic environment, collaboration amongst civil society organizations remains a critical strategy for addressing complex and pervasive social issues in the province. Civil society leaders recognize that a siloed approach makes it difficult to implement innovative and meaningful solutions to social issues. Increased collaboration amongst diverse civil society organizations, including non-profits, charities, and businesses with a social purpose, could lead to increased client impact, reduced costs, more comprehensive or coordinated programs and services, and improved efficiency. One notable example is the IMPACT initiative, coordinated by the Sagesse Domestic Violence Prevention Society in Calgary, focused on eradicating domestic and sexual abuse. Formal, membership-based associations also support collaboration across a range of social issues, from newcomer services, family and domestic violence prevention, disability supports, and beyond. Organizations like the Calgary and Edmonton Chambers of Voluntary Organizations (CCVO and ECVO) and Volunteer Alberta also support collaboration through member resources and events.

The Council also heard that effective collaboration is hard work, and requires time, resources and skills developed over time. Civil society organizations and actors are limited in their ability to pursue more

collaborative work due to a lack of reliable sector data, capacity limitations, and funding approaches used by government and other funders. Collaborations are more effective when funders enable relationship building and recognize it as part of the work they're supporting. The Government of Alberta can play a key role by supporting or even incentivizing collaborations amongst civil society organizations, enabling them to amplify the impact of their work.

Collaboration between the Government of Alberta and civil society organizations: There is a need to reimagine or strengthen the government's relationship with civil society. The Government of Alberta should consider civil society a key partner in effecting positive change, as addressing social issues requires collaboration across the public, private, and nonprofit sectors. Civil society leaders have identified the need for the Government of Alberta to structure this partnership so that it empowers civil society to implement innovative solutions. Many civil society organizations and actors' expertise, knowledge, and voices are under-utilized and under-appreciated. However, as civil society organizations are deeply connected to the communities they serve and attuned to their needs, the government should look to them for expertise and knowledge.

The Council heard that a power imbalance often exists between the Government of Alberta and civil society organizations that can get in the way of a fuller, more constructive partnership. Current collaborative tables, such as the Alberta Nonprofit Voluntary Sector Initiative (ANVSI), are valuable, but our engagement suggests more can be done to bring together government and civil society leaders to engage in evidence-based and consensus-oriented dialogue. Some stakeholders expressed a desire for a single "home" for civil society in government to address the full range of strategic, operational and program delivery issues. Engagement participants expressed the need for the government to engage with civil society to understand their needs, utilize their knowledge and expertise when developing policy directions, and to assess the impact of government policies on the sector. Engagement input also suggests the government should consider expanding their efforts to develop a clear picture of the full range of civil society organizations in Alberta, identify common outcomes or priorities, and assess any gaps. The government's relationship with civil society should be based on empowering civil society and supporting their key role in the design and delivery of important programs and services.

There is also opportunity for increased collaboration between civil society and Alberta's municipal governments. Municipal governments have a vital stake in engaging civil society to help prevent and address issues impacting communities, including but not limited to Family and Community Support Services (FCSS) programs, funded in partnership with the provincial government. Effective partnerships between civil society and municipal governments are integral to building strong communities and creating lasting social change.

Enhancing government's relationship with Indigenous communities and Indigenous-led civil society organizations and actors is particularly important. Civil society organizations led by, and who work with, Indigenous communities need to be engaged as subject matter experts to identify solutions to common challenges and explore opportunities for collaboration. The federal government also plays a vital role in this area, reinforcing the need for effective collaboration between orders of government. For these communities, existing provincial protocols or other arrangements can provide a foundation for collaboration and, ideally, help pave the way for reconciliation.

Collaboration amongst Alberta government ministries: The Government of Alberta plays an important role in funding and supporting organizations addressing social issues. Yet, the lack of collaboration and coordination between the ministries who are partners in this work can produce a fragmented and less effective approach to supporting civil society's efforts. Inconsistent or siloed approaches can also mean overlap or duplication of efforts.

A variety of cross-ministry mechanisms can be utilized to facilitate collaboration and coordination. The specific solutions may be different for different social issues, sub-sectors or ministries, but increased collaboration is the foundation for success.

Financial Sustainability

Key engagement input: *Single year project funding contributes to weak relationships. Need ongoing funding relationships with both parties invested.* (pg. 27)

Insufficient funding: One of the factors contributing to civil society's financial instability is the funding environment. The issue of insufficient funding was underscored in the Council's *Moving Forward* report, and while there have been some recent investments, many civil society organizations still indicate they are confronted with insufficient funding as they seek to recover and build capacity. Most civil society organizations have long struggled to obtain sufficient funding for all the overhead costs associated with their services, as government funding typically focuses largely on the direct costs of services. This means organizations often need to cover the indirect costs of a funded program or project with reserves or other revenues.

Reserves or fundraising revenues are often uncertain or insufficient, which means that many organizations underinvest in infrastructure, technology, staff skills and professional development, program evaluation, capacity expansion or exploring new, innovative programming.

Longer term funding: Most funding arrangements are typically one year in duration. This restricts civil society's ability to plan ahead. It also creates additional administrative burdens as organizations are required to redirect their efforts and resources towards reporting on completed funding and applying for new additional funding at the end of each fiscal year. In addition, there is pressure on organizations to demonstrate results or the impact of their work. However, many program outcomes need to be measured on an ongoing basis, often months or years after the delivery of service or completion of a program, in order to determine if impact is achieved and sustained over time. Some outcomes also take years to materialize while "soft" outcomes such as stronger relationships or building social capital are not easily measurable. Short-term funding limits civil society's ability to plan ahead and deliver impactful services.

The Non-Profit Panel on Red Tape Reduction, tasked with identifying areas of greatest regulatory and administrative burden in the non-profit sector, identified several related issues in their February 2023 report. The Panel made several recommendations to address these barriers, including streamlining contracts, grants, and reporting requirements, and providing longer term funding. Following the Panel's recommendations, the Government of Alberta transitioned from single-year to multi-year funding agreements for selected programs, in addition to implementing simplified reporting requirements. This reduced administrative burden allows organizations to focus on delivering programs and services, rather than grant administration and reporting.

The Council heard that a continued shift to longer term or multiyear funding would provide civil society organizations greater organizational certainty, as well as flexibility to adapt and innovate to respond to the changing needs of their communities, while still achieving (and reporting on) outcomes.

Encourage and support collaboration: The current funding landscape is not conducive to collaboration, as the traditional funding approach generates competition among civil society organizations. However, some civil society organizations are eager to work collaboratively to develop more comprehensive and impactful services. Engagement input suggests the government can encourage collaborative efforts by adapting funding approaches, would improve the sustainability and maximize the impact of civil society programs and services.

Coordinated community funding approaches: Civil society organizations are well positioned to identify and respond to their communities' complex and unique social needs but they need targeted and sustained financial support to continue their important work. At the same time, in some cases funding could be better aligned to provide the appropriate services and supports to the diverse communities in Alberta. The provincial United Way Network is an excellent example of a coordinated funding approach

that can focus the efforts of community organizations, based on specified community priorities, such as programs for children and families living in poverty. Even where funders have diverse mandates or interests, dialogue among funders may reveal opportunities for greater coordination, streamlining of processes or sharing best practices.

Strengthening social enterprise: In order to meet the increased demand for services, maximize their impact, diversify their financial resources, and become financially sustainable, some civil society organizations are pursuing their social mission through market-oriented sale of goods and services, or social enterprises. As identified in the *Moving Forward* report, there is a need and opportunity for civil society to prioritize capacity building in the area of social enterprise or the evolving area of social finance. A notable example of a collaborative seeking to strengthen the social finance ecosystem is the Alberta Social Economy Ecosystem Development (AB Seed). AB Seed – and its constituent organizations, including representatives from the Government of Alberta – is building the social economy ecosystem in the province by enhancing collaboration, communication, and strategy development between leaders and contributors in the social economy.

The Government of Alberta is committed to building the social economy in other ways as well. Through Creative Partnerships Alberta, it has committed up to \$9.2 million from 2021-2025 to provide investment opportunities and capacity building programs to create a climate of social entrepreneurship for Alberta’s non-profits. Other organizations, including some connected to post-secondary institutions, are also supporting work in this area.

As civil society organizations work to build their capacity and expand their reach, some may secure capital through banks or other lending institutions, including Edmonton’s Social Enterprise Fund. While this is standard practice in the world of for-profit business, the Council heard that some organizations that access capital through debt financing may be disadvantaged in securing other funding, including government funding, as their financial statements reflect the debt. This restricts their financing options and impacts their ability to innovate and succeed. Additional education and communication about this new dynamic is required.

The Council also heard that governments can play a key role in strengthening the social finance ecosystem by expanding public sector social procurements and encouraging companies to adopt community benefit agreements. Other jurisdictions at all levels of government are exploring – within the constraints of relevant trade agreements – social procurement strategies that could support the growth of social enterprises and contribute to the financial sustainability of civil society.

Research and Data

Key engagement input: *Focusing on provincial approach to data development/report/design.* (pg. 28)

Assessing community needs and the state of civil society: Access to targeted research and data is critical to the recovery and impact of civil society. Despite some valuable sources of information such as Alberta 211 reports, many organizations lack timely access to relevant and reliable data on the diverse and evolving needs of the communities, and the extent to which those needs are met. As well, a lack of publicly available and up-to-date data on the number, size, and activities of civil society organizations in the province hinders collaborative efforts and makes it difficult to establish a baseline understanding of the diverse array of civil society organizations and their work. Both civil society and the government would benefit from better data about the non-profit/charitable sector in particular.

Expanding research and data capacity: Civil society organizations are further restricted in their ability to implement innovative solutions due to their limited capacity for data collection, analysis, and reporting. Most organizations are able to collect some reportable statistics, but they are often faced with the obstacle of collecting, analyzing, and reporting complex qualitative data. Both quantitative and

qualitative data collection and analysis require staff with technical skill sets. However, with current funding constraints, many organizations are forced to prioritize service delivery as opposed to investing in systems and people to support research and data collection and analysis.

Tracking and reporting program data is key to meeting funding requirements and securing new funding. Funders and donors increasingly require easily understandable data that demonstrates the impact of the program or service they are funding. However, as some civil society organizations are limited in their data collection and analysis capabilities, they struggle to demonstrate the effectiveness of their programs and services, and therefore, are unsuccessful in securing funding.

These issues highlight the need for funding specifically for research and data purposes. This would enable civil society organizations to build their research and data capacity and collect accurate data that would deepen their understanding of community conditions and needs. A promising start in this area is the Alberta Nonprofit Data Strategy, led by PolicyWise for Children and Families. Based on broad engagement and funded by PolicyWise, the Edmonton Community Foundation, and the Ministry of Culture, this initiative will help generate better data on the sector and help build a knowledge-driven non-profit sector. There is also an opportunity for civil society to partner with post-secondary institutions and experts with strong research and data capacity to develop and share expertise, knowledge, and best practices. An excellent example is the Community-University Partnership (CUP) for the Study of Children, Youth, and Families. CUP brings together the University of Alberta, community agencies, and organizations focused on creating and mobilizing evidence to improve the development of children, youth, and families in Alberta.

Need to invest in digital infrastructure: In order to prevent disruptions to service delivery, many civil society organizations utilized technology to offer virtual programming or services during the pandemic. This also allowed organizations to reach more individuals and communities in need. However, many civil society organizations are still struggling to effectively embed technology into their operations. Civil society organizations have identified the need for a digital transformation strategy to meet the needs of their key stakeholders and elevate their impact. As civil society continues to focus on recovering from the pandemic, utilizing technology will remain critical.

Capitalizing on technology in an increasingly digital world will enable organizations to reach more funders and donors, increase collaborations, improve outcomes, demonstrate their impact, make evidence-based decisions, and drive change. There is opportunity for civil society to collaborate with partners in the private sector and government to help build their technological capacity and facilitate their digital transformation.

Government data services: Civil society and the Government of Alberta currently lack accurate and up-to-date data about the landscape in which they are operating and seeking to make change. The lack of comprehensive data about the scope and activities of the non-profit sector in particular makes it difficult for the government to make informed funding decisions, act as a convener, and effectively collaborate with the diverse organizations working with individuals and communities in need.

The Council heard that the Government of Alberta should consider expanding their data services capacity to enable the collection and dissemination of timely and accurate data related to civil society. Non-profit organizations like IMAGINE Canada, PolicyWise and the Calgary Chamber of Voluntary Organizations have increased their efforts to collect and share data on the state of the non-profit sector in the province, but there is a need for cross-ministry and cross-sector collaboration to enhance coordinated data gathering and analysis. Further dialogue on this need could lead to the government developing an expanded digital repository of timely and relevant information to complement data generated by civil society partners.

Capacity Challenges

Key engagement input: *The need for advocacy around nonprofit labour market issues. We used to have a HR Sector Council for Nonprofits in Alberta. Can that be brought back? (pg. 29)*

Workforce crisis: Long standing workforce challenges such as high turnover rates, burnout, and skills gaps reflect what many call a workforce crisis, particularly in certain subsectors of the non-profit sector. The lack of competitive wages and compensation impact civil society organizations' ability to attract and retain skilled staff. In turn, this can lead to service delays or disruptions and, in some cases, the complete cessation of services. It would certainly limit the ability of organizations to expand, innovate or maximize their impact. Many civil leaders pointed to the need to increase wages in light of the high inflation rate and cost of living, yet many organizations lack the financial capacity due to limited finances or inflexible funding agreements. Consequently, organizations are losing qualified staff to the private or public sectors. The pandemic also impacted organizations' ability to attract and retain volunteers as individuals, particularly seniors who constitute a large portion of the volunteer workforce, were encouraged to limit in-person social activities and reduce contact with others. The recently announced investment by the Government of Alberta for staff in some subsectors or program areas is welcome, but this challenge will likely recur without a longer-term strategy.

The Council notes that in the mid-2000s, the government collaborated with civil society to develop a ten-year workforce strategy called *A Workforce Strategy for Alberta's Non-Profit and Voluntary Sector*. The strategy outlined four priority actions government and civil society could take to address workforce challenges and create sector-wide solutions. The co-development of a new workforce strategy could help inform both government and civil society organizations of labour force pressures and provide a basis for collaborative solutions.

Building workforce capacity: In order to meet the complex and dynamic needs of Albertans, civil society leaders are challenged to expand employee engagements and build their workforce capability. Civil society leaders are required to invest in their staff's professional development and training, help facilitate staff's connection with their organization's mission and operations, improve organizational and staff performance, build leadership skills, support succession planning – all in the service of expanding service delivery capabilities and social impact. However, civil society leaders' capacity building efforts are restricted by minimal resources and funding.

Board development: The engagement process revealed that one of the most important factors determining organizational success is having forward-thinking, strategic-minded, and diverse boards. Boards of civil society organizations are responsible for setting the organization's mission, vision, goals, and strategic direction, as well as ensuring the organization meets financial and other accountability requirements. Therefore, it is critical for board members to remain informed about the landscape in which the organization operates, and effectively manage risks and opportunities, including empowering organizations to take (measured) risks to innovate or collaborate.

Advice to the Minister

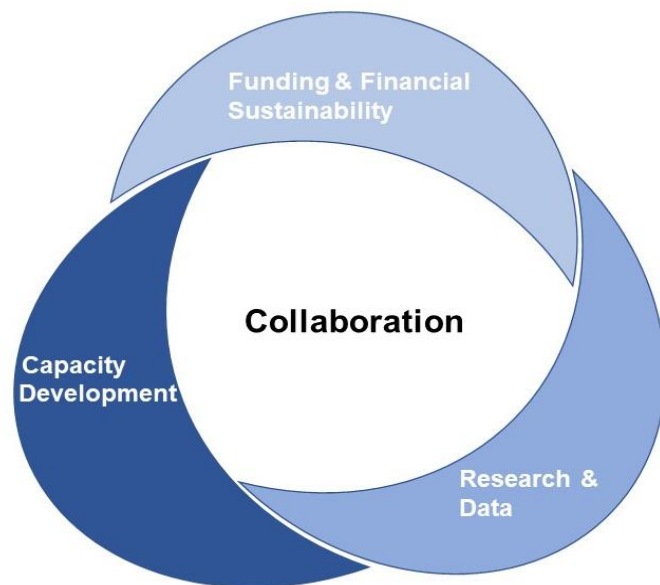
Based on input received during the engagement, the Council has identified a number of key opportunities for the Government of Alberta to support civil society’s recovery and build future capacity. As noted above, this starts with a foundational commitment to a stronger and more collaborative partnership with civil society. This partnership should be based on principles of accountability and transparency, shared goals and objectives, and meaningful input in the decision-making process. This collaboration also won’t consist in a single initiative, table or committee, and it may take different forms for different ministries or in relation to different issues. In the Council’s view, the government has a unique capacity and responsibility to convene civil society partners and to collaborate across sectors and ministries.

Below we identify the three broad policy areas in which a more collaborative, coordinated approach – across civil society organizations, between civil society and government, and across government ministries – is needed to address the dynamic and complex social issues that government and civil society face. The Council is well positioned to support civil society and the government’s collaborative efforts in each of the three areas and looks forward to contributing to the dialogue.

Our advice reflects the engagement input, our own deliberations, and is intended to help address some of the significant challenges impacting civil society. Some of this advice echoes the advice we provided in the *Moving Forward* and *Supporting Women’s Economic Recovery* reports, as these issues still present the most significant areas of opportunity.

Figure 2 illustrates the interrelationship between the three major advice areas, with collaboration playing a central role. Advancements in any one of the three areas may contribute to the other areas as the challenges and solutions are interconnected. For example, addressing issues related to *funding and financial sustainability* may enable civil society organizations to build staff capacity and expand their data collection and program evaluation skills. Sustained cross-sector and cross-ministry collaboration across all three advice areas will ensure that civil society and the government are able to successfully tackle complex social issues.

Figure 2: Interrelationship between advice areas



Funding and Financial Sustainability

Collaborative efforts in the area of funding and financial sustainability can strengthen the government’s relationship with civil society, help civil society maximize its impact and become financially sustainable.

Civil Society	Government of Alberta
<ul style="list-style-type: none"> • Seeking new opportunities for collaborations or unexplored opportunities to coordinate services, to add to and complement those currently in place. Civil society organizations should continue to seek out new collaborative opportunities, share resources, leverage expertise and increase their financial sustainability. This could involve new cross-sectoral partnerships with private/corporate organizations interested in addressing social issues in their communities. • Building fundraising capacity and financial resilience. Building organizational capacity for fundraising and financial resilience (including the development of endowments) by investing in training for employees and collaborating with capacity building organizations, would allow organizations to take advantage of diversifying their funding sources, and increase their financial sustainability. The government’s Civil Society Fund provides targeted funding to support civil society’s capacity building efforts in these areas. 	<ul style="list-style-type: none"> • Encouraging collaboration amongst civil society organizations. Adapting funding streams to encourage collaborations amongst civil society organizations would enhance their impact and build capacity by facilitating knowledge sharing and learning. • Providing longer term and flexible funding. Where feasible, the provision of longer-term and more flexible program funding would reduce administrative burdens and enable organizations to conduct longer-term planning. Multi-year funding may also allow organizations to innovate and experiment to more effectively meet the needs of Albertans. • Engaging with civil society funders. As a major funder, the government would benefit from engaging other civil society funders (e.g. through local “funders’ tables”). This could yield information on community needs and priorities, the broader funding environment, best practices, and allow government to adapt as required. It could also deepen the government’s understanding of the evolving social finance environment and the financial needs of social enterprises. • Streamlining reporting requirements: Continuing to shift from output to outcomes-based reporting would provide organizations more flexibility to adapt their service delivery models and reduce administrative burdens. It could also foster collaboration amongst civil society organizations as they work towards shared outcomes. Other opportunities to reduce administrative burdens by streamlining or consolidating reporting requirements should also be explored. • Ensuring the legislative environment fully enables social enterprise. The traditional boundaries between the profit and non-profit sectors are blurring, reflecting the growth of social enterprise, corporate “ESG” initiatives, social impact investing, etc. Other jurisdictions have developed legislation to fully enable social enterprises or social impact businesses to develop. The Government of Alberta should review its current legislative environment,

including the *Societies Act*, to ensure Alberta's civil society can continue to increase its financial sustainability and find innovative ways to maximize its impact.

- **Training staff on social enterprise and finance.** Ensure relevant government of Alberta staff have knowledge of social enterprise models and emerging social finance opportunities as they work with civil society partners.

Research and Data

Collaborating to expand civil society and the government's research and data capacity would result in more accurate data on the state of civil society and a more strategic use of data to respond to community needs.

Civil Society	Government of Alberta
<ul style="list-style-type: none">• Developing a Research and Data strategy. Continuing efforts to develop a Research and Data strategy for the non-profit and voluntary sector would provide reliable and timely data on the sector. It would also help create a common understanding of terminology, methodologies, and analysis approaches. It would facilitate data sharing, evidence-based decision making, and help organizations remain informed of best practices.• Developing capacity for research and data collection and analysis. Enhancing research and data collection and analysis capacity through investments in data systems and training would allow organizations to effectively track outcomes, demonstrate their impact, secure funding, and identify strengths and areas of opportunity. Leveraging existing expertise in post-secondary institutions or key "capacity-building" organizations in civil society should be considered.• Strengthening organizations' evaluation culture. Beyond targeted skill development, developing an evaluation culture that sees results measurement and outcomes reporting as a core function would support organizations' efforts to implement improvement strategies, reinforce accountability, and foster learning.• Investing in digital infrastructure. Investing in digital infrastructure and training employees to effectively use digital tools would better position organizations to carry out their	<ul style="list-style-type: none">• Funding for a non-profit sector data strategy. Providing funding to support the development of a non-profit sector data strategy would expand civil society's capacity to collect and analyze data to drive change. The Alberta Non-Profit Voluntary Sector Initiative may be well positioned to co-lead/coordinate the development and implementation of a sector wide data strategy.• Funding for organizational research and data activities. Providing additional funding for data collection/evaluation in funding agreements would support organizations' ability to collect and analyze program data, report effectively, and design program improvements. It could also enable organizations to better utilize technology for data management purposes to demonstrate their impact and secure additional funding. Improved program reporting practices could also support government program development and enhancements.• Coordinating government data gathering and analysis. Government of Alberta ministries generate and hold diverse data sets relevant to civil society, yet, competing priorities and organizational siloes pose a challenge to coordinating data gathering, analysis, and information sharing across ministries, and with civil society partners. A cross-ministry initiative to develop a civil society data strategy would enable more strategic collection, use and sharing of data

missions. In particular, the use of data collection and analysis software would provide organizations deeper insights, improve efficiency, and drive evidence-based decision making.

and improve government’s capacity to provide relevant data services.

- **Supporting on-going “sector mapping”.** The government can support on-going “sector mapping” efforts by collecting and publishing a basic map of the non-profit and voluntary sector organizations in Alberta. As part of the required annual returns process in Alberta, government could collect additional, basic data on the sector, including organizational budgets, staff and volunteer complement, and sub-sector classification. The additional burden on organizations is limited and outweighed by the potential value to both civil society and government.

Capacity Development

Collaborating to support civil society’s capacity development efforts would contribute to their successful recovery, the development of long-term solutions to workforce challenges, and maximize social impact.

Civil Society	Government of Alberta
<ul style="list-style-type: none"> • Expanding civil society’s overall capacity. A number of civil society organizations (or collaboratives and networks) have a specific mandate to build civil society capacity. The IMPACT network, coordinated by Sagesse, the AB Seed collaborative, and Healthy Aging Alberta are just three examples. Provincial-level associations representing specific social sectors also play a critical role in building capacity among their members. Finally, broad, sector-focused organizations like the CCVO, ECVO, and ABNN provide critical tools and resources for capacity-building. These organizations are the “system-level infrastructure” needed to build capacity and should continue to expand their reach and impact with members and allies. • Continuing efforts to deepen collaboration with private/corporate sector actors. Private or corporate sector actors have long supported community-building through philanthropic activities, supporting staff to engage in volunteer initiatives, etc. Increasingly, companies are embedding social good as part of their core purpose, and investors are seeking social impact as a complement to financial returns. Leaders across these two sectors 	<ul style="list-style-type: none"> • Funding and resources to support capacity building. Government funding to support civil society’s capacity building efforts in research and data, evaluation, planning, collaborations, human resources, fund development, and board governance would expand organizations’ reach, improve client outcomes, and support organizational transformation. The capacity building efforts of civil society organizations can be encouraged through the continuation of the Civil Society Fund, the Enhanced Capacity Advancement Program, and other sector supports such as community development services. • Exploring the opportunity to co-develop a new workforce strategy. Collaborating with civil society to develop a new workforce strategy for the non-profit and voluntary sector in Alberta would help address workforce challenges and set the stage for long term solutions. The government should initiate further dialogue on this opportunity and support the collection of required information gathering efforts. • Expanding capacity to respond to civil society’s needs. Expanding the government’s civil-society related data collection and analysis capacity through cross-ministry and cross-sector collaborations would better position the

should continue to deepen their engagement and explore new opportunities to collaborate.

- **Expanding staff capacity and skills.** Developing a capacity building strategy would strengthen civil society's ability to attract and retain talent, and ultimately increase their impact. Investing in professional development and training opportunities to expand employees' competencies and skills would have a positive impact on the organizations' ability to achieve their mission, retain skilled employees, and increase employee satisfaction.
- **Recruiting and developing strategic minded boards to ensure effective governance.** Organizations should endeavor to recruit and retain forward thinking, strategic minded, and diverse board members who are reflective of the communities they serve. Strategic minded boards whose skill sets and perspectives align with the organization's goals and values, and who can provide effective risk management, can drive organizational impact and sustainability.
- **Engaging in succession planning.** Engaging in succession planning would lessen the impact of high turnover rates by preventing service delivery disruptions and retaining organizational knowledge. It would contribute to the organization's long-term success.

government to understand and respond to civil society's needs.

- **Facilitating regular information sharing and dialogue.** Reviewing the mandate and operations of the Alberta Non-Profit/Voluntary Sector Initiative would ensure it continues to support timely information and dialogue on key issues facing the sector and its partnership with government. Additional mechanisms for collaboration and dialogue may be required.

Conclusion

Civil society plays a vital role in every community in Alberta. Ensuring civil society flourishes is the key to building the strong, resilient and caring communities we all want. Civil society organizations are best positioned to understand and respond to the unique needs of the communities they serve, but they require a robust partnership with government (and other civil society partners) to achieve this vision.

The engagement process revealed that civil society continues to face significant challenges that impact their recovery and capacity-building efforts, including many of the challenges identified in the Council's previous reports. Effectively addressing these challenges will require renewed commitment and enhanced collaboration across civil society, between civil society and the government, and across government ministries in a number of complementary areas, including the three priorities identified here: funding and financial sustainability, research and data, and capacity development. Engagement participants communicated that better leveraging existing structures, relationships, and networks would lead to enhanced capacity, the development of innovative solutions, and greater impact for the Albertans they support.

As we move forward, we hope the advice offered in this report can provide a foundation for dialogue and collaboration. We look forward to this continuing on this shared journey of empowering Alberta's civil society.

Appendix A – Engagement Participants

Organization Name
1. Alberta Association of Immigrant Serving Agencies
2. Alberta Chamber of Commerce
3. Alberta Community & Cooperative Association – ACCESS Shared Services
4. Alberta Council of Women’s Shelters
5. Alberta Nonprofit Network
6. Association of Alberta Sexual Assault Services
7. Alberta Seed
8. Calgary Chamber of Voluntary Organizations
9. Community Foundation of Lethbridge and Southwestern Alberta
10. e4c
11. Family and Community Support Services Association of Alberta
12. FuseSocial
13. Franciscan and Friends Music Missions
14. Grande Prairie Friendship Centre
15. Healthy Aging Alberta
16. HelpSeeker
17. HRJ Consulting
18. Innovate Calgary
19. Institute for Advancement of Aboriginal Women
20. IntegralOrg
21. McMan Youth, Family, and Community Services Association - South Region
22. Medicine Hat Community Housing
23. Momentum
24. Mount Royal University Institute for Community Prosperity
25. Muttart Foundation
26. Native Friendship Centre – Edson
27. Next Step Ministries
28. PolicyWise
29. Propellus
30. SAGE Seniors Association
31. Sagesse
32. Social Enterprise Fund
33. Stollery Children’s Hospital Foundation
34. Suncor Energy Foundation
35. Trellis Society
36. Trico Foundation
37. United Way Central Alberta
38. United Way of Calgary and Area
39. United Way of Fort McMurray and Wood Buffalo

40.	United Way of the Alberta Capital Region
41.	University of Calgary – Faculty of Social Work
42.	University of Calgary – Social Innovation Hub
43.	Volunteer Alberta
44.	Yellowhead Tribal Council

Appendix B – Phase 1 Panel Discussion Questions

Financial Sustainability and Resilience

1. In your experience, what does it mean for organizations to be financially sustainable & resilient? (Why is it important? What would the consequences be to your community if organizations lack financial stability?)
2. How would you describe your organization’s current financial sustainability & resilience? (What measures/benchmarks do you use to assess whether you’re thriving or struggling financially?)
3. What is your organization doing to address long-term sustainability & financial resilience? (What are some specific steps you have taken, and barriers you have encountered?)
4. What systemic changes (e.g., mindset shifts, policy changes, etc.) would help your organization and others achieve greater financial sustainability & resilience?

System Coordination and Collaboration

1. In your experience, what does effective collaboration/coordination look like? Can you give example of ways you are collaborating/coordinates to better address pressing social issues?
2. What do you find most challenging about coordination and collaboration? Are there any opportunities for collaboration or integration that you have not been able to fully pursue? If so, what barriers have you encountered?
3. What would help you overcome these barriers and achieve greater success in collaborating/coordinates?

Research and Data

1. How are research and data used in your organization? Can you give an example of data you collect and how it is used to inform your work?
2. What untapped opportunities do you see for research and data that could strengthen your impact? What are the biggest factors holding your organization back from pursuing these opportunities?
3. What are the biggest barriers holding organizations back from sharing data with partners or stakeholders and using evidence to inform decisions?
4. What would help you overcome these barriers and achieve greater success in using research and data to improve social outcomes?

Organizational Transformation

1. Has your organization recently transformed its governance, operations, or program/service delivery approaches? If so, can you share a bit about that experience (e.g., driver for change, how you approached the change process, and results)?
2. What are the key drivers of organizational transformation in the sector today? (What factors are leading to mergers, program/service innovations, governance shifts, etc.)?
3. In your experience, how equipped are organizations (including your own) to adapt to changing circumstances (e.g., funder requirements, operational challenges, dynamic community needs, etc.)? What barriers get in the way of effective adaptation/transformation?
4. What skills, mindsets, and supports are needed in your organization and in the sector more broadly to enable us to better adapt to changing circumstances?

Appendix C – Participant Input (by theme)

Collaboration



Funding and Financial Sustainability



Research and Data



Capacity Development

