Final Report

Implementation Evaluation of the Nutrition North Canada Program

Project Number: 1570-7/12023

September 2013

Evaluation, Performance Measurement and Review Branch
Audit and Evaluation Sector
# Table of Contents

Glossary of Terms .......................................................................................................................... iii
Executive Summary ......................................................................................................................... v
Management Response / Action Plan .......................................................................................... viii
1. Introduction................................................................................................................................. 1
  1.1 Overview .............................................................................................................................. 1
  1.2 Program Profile .................................................................................................................... 1
2. Evaluation Methodology ............................................................................................................. 9
  2.1 Evaluation Scope and Timing .......................................................................................... 9
  2.2 Evaluation Issues and Questions ...................................................................................... 9
  2.3 Evaluation Methods ........................................................................................................ 10
  2.4 Considerations, Strengths and Limitations ...................................................................... 16
  2.5 Roles, Responsibilities and Quality Assurance .............................................................. 17
3. Evaluation Findings - Relevance .............................................................................................. 18
  3.1 Continued Need .............................................................................................................. 18
  3.2 Alignment with Federal Roles and Responsibilities ...................................................... 20
  3.3 Alignment with Government Roles and Priorities ......................................................... 21
4. Evaluation Findings – Design and Delivery ............................................................................. 24
  4.1 Program design ............................................................................................................... 24
  4.2 Roles of AANDC and Health Canada ............................................................................ 27
  4.3 Governance Structure ..................................................................................................... 28
  4.4 Data Collection and Reporting Procedures .................................................................... 29
5. Evaluation Findings – Performance (Achievement of Immediate Outcomes) ...................... 31
  5.1 Achievement of program outcomes – Access to subsidized nutritious food ................. 31
  5.2 Residents in eligible communities are informed about the NNC Program .................... 35
  5.3 Reach .............................................................................................................................. 37
  5.4 Factors are facilitating or challenging the achievement of results? ............................... 38
  5.5 Unintended impacts, positive or negative ...................................................................... 39
6. Evaluation Findings – Effectiveness (Efficiency and Economy) .............................................. 42
  6.1 To what extent has the NNC Program model created cost-effectiveness ...................... 42
  6.2 Modifications or Alternatives for improving the efficiency and economy .................... 43
  6.3 How can NNC’s efficiency be improved? Are there opportunities to identify cost-saving measures? .............................................................. 45
  6.4 How has the NNC Program optimized its processes and quality/quality of services to
      achieve expected outcomes? .............................................................................................. 46
7. Evaluation Findings – Best Practices ......................................................................................... 48
  7.1 Best Practices .................................................................................................................... 48
8. Conclusions and Recommendations ....................................................................................... 50
  8.1 Conclusions .................................................................................................................... 50
  8.2 Recommendations .......................................................................................................... 51
Appendix A – NNC Logic Model ................................................................................................. 52
Appendix B – Community Profiles .............................................................................................. 53
Glossary of Terms

Advisory Board for Nutrition North Canada – A group of individuals whose role is to represent the perspectives and interests of northern residents and communities and to advise the Minister of Aboriginal Affairs and Northern Development (AANDC) to help guide the management, direction, and activities of the Nutrition North Canada Program.

Commercially prepared foods – Foods that are prepared and distributed by food manufacturers and which individuals typically buy in a store. These foods can be fresh, frozen, raw or cooked and are usually pre-packaged.

Community eligibility list – A list of isolated communities, which are eligible for the Nutrition North Canada Program. These communities lack year-round access to surface transportation.

Country foods (traditional foods) – Foods obtained through local hunting, fishing or harvesting activities. Examples include caribou, ptarmigan, seal, Arctic char, shellfish and berries.

Direct or Personal orders – A provision under the Nutrition North Canada Program that gives individuals and certain institutions (e.g. schools, daycares) in eligible communities access to the program’s subsidy when they buy eligible items directly from a supplier in the South that is registered with the program. Direct orders made by individuals are often referred to as “personal orders.”

Northern retailers (also see Southern suppliers) – Retailers who operate stores located in communities that are eligible for the Nutrition North Canada Program and who sell foods that are eligible under the program. These retailers are registered as a business with the Canada Revenue Agency and have an agreement with Aboriginal Affairs and Northern Development (AANDC) to govern the funds (the subsidy) they receive under the Nutrition North Canada Program.

Non-food items – Products that are eligible for a subsidy in Old Crow, Yukon, under the Nutrition North Canada Program. Examples of eligible non-food items include diapers, toilet paper and toothpaste.

Non-perishable foods – Foods which do not spoil quickly when stored at room temperature. Examples include dry pasta, dehydrated vegetables and canned fruit.

Perishable foods – Foods that are fresh, frozen, refrigerated, or have a shelf life of less than a year. They must be shipped by air¹.

¹ Definition from: http://www.nutritionnorthcanada.gc.ca/eng/1367932314461/1367932387670
**Point of sale** - The place where sales are made. On a macro level, a point of sale may be a mall, market or city. On a micro-level, retailers consider a point of sale to be the area surrounding the counter where customers pay. This is also known as “point of purchase.”

**Retail subsidy** – An amount of money that the federal government transfers under the *Nutrition North Canada Program* to registered northern retailers and southern suppliers to help reduce the cost of perishable, nutritious foods in eligible isolated, northern communities.

**Revised Northern Food Basket** – The Revised Northern Food Basket is an example of a nutritious diet for a family of four for one week. The combination of foods in the basket meets most nutrient requirements and food serving recommendations in Canada's Food Guide for the four family members: a man and a woman aged between 31 and 50, and a boy and a girl aged between 9 and 13.

**Southern suppliers** (also see *Northern retailers*) – Retailers and wholesalers who operate a business located in Canada but not in a community that is eligible for the *Nutrition North Canada Program* and who sell foods that are eligible under the program. They are registered as a business with the Canada Revenue Agency and have an agreement with AANDC to govern the funds (the subsidy) they receive under the *Nutrition North Canada Program*. Southern suppliers provide products that are eligible under the *Nutrition North Canada Program* to small northern retailers, eligible institutions, establishments and individuals living in an eligible community. Information for Retailers, Country Food Processors and Suppliers.

**Subsidized foods list** – A list of the types of foods which are eligible for a subsidy under the *Nutrition North Canada Program*. 
Executive Summary

The Evaluation, Performance Measurement and Review Branch (EPMRB) at Aboriginal Affairs and Northern Development Canada (AANDC) undertook an implementation evaluation of the Nutrition North Canada (NNC) Program.

Nutrition North Canada was launched in April 2011 and replaced the Food Mail Program. It is a market-driven food subsidy program that seeks to improve access to perishable healthy food in eligible isolated northern communities. By making nutritious food more accessible and more affordable, the program seeks to increase the consumption of nutritious foods and contribute to improving the overall health of the population, both Aboriginal and non-Aboriginal, living in the North.

The NNC Program is a Sub-Program Activity of the Northern Governance and People Program Activity, which contributes to The North Strategic Outcome. The NNC contributes to the Department’s strategic outcome area of the North through its expected outcomes of self reliance, prosperity and well-being for the people and communities of the North.

Nutrition North Canada has a fixed budget of $60 million in program funding. Of this, $53.9 million is allocated for the subsidy component through funding agreements with eligible recipients managed by AANDC. AANDC also receives another $3.4 million for program operations. The remaining $2.9 million is for contribution funding the Health Canada nutrition education initiatives component of the program.

This evaluation responds to the Treasury Board requirement to inform AANDC management on the transition from Food Mail to NNC, as well as resource utilization and preliminary results and overall performance. The evaluation is in compliance with requirements from Treasury Board’s Policy on Evaluation. It does not evaluate outcomes related to the Health Canada component of the program. Results of this evaluation will inform an impact evaluation that is currently being planned for fiscal year 2014-2015.

This evaluation examines issues related to relevance and performance (achievement of expected outcomes and efficiency and economy). Special attention was paid to issues related to design and delivery and best practices/lessons learned. The evaluation used multiple lines of evidence to respond to the evaluation issues and questions, including a document review, literature review, a review of program data, key informant interviews and case studies. Data collection and analysis were conducted between January 2013 and August 2013, with visits to four communities currently eligible from the NNC Program.

EPMRB was the project authority for this evaluation and managed the evaluation in line with EPMRB’s Engagement Policy and Quality Control Process and in keeping with the Treasury Board Policy on Evaluation. The majority of the evaluation work was completed by the EPMRB team, with the assistance of Rick Gill of Alderson-Gill & Associates for a portion of the case studies. An evaluation working group, including AANDC program and, to a lesser extent, Health Canada, was formed in order to provide knowledge and expertise. Representatives from
Aboriginal organizations, the Inuit Tapiriit Kanatami and the Assembly of First Nations, contributed to the working group as resource representatives.

The evaluation makes the following key findings/conclusions:

With respect to relevance:

1) There is a continued need for NNC to increase access to healthy foods, including country foods, for residents of isolated northern communities;
2) NNC is clearly aligned to Government of Canada’s priority of supporting healthy outcomes for Canadians; and
3) NNC is clearly aligned with the roles and responsibilities of the federal government in supporting healthy outcomes in the North. While evidence of other food subsidy or healthy food programming was found at other levels of government, these programs were generally found to be complementary to NNC, rather than duplicative. At the same time, there appears to be a food policy framework that is fragmented across federal, provincial and local jurisdictions.

With respect to program design:

4) NNC Program supply-chain model is well-suited to achieving program objectives of making food more accessible;
5) Program eligibility criteria is preventing some fly-in communities from participating in the program resulting in an under-addressed need in those communities;
6) The transition from Food Mail to NNC was facilitated by the decision to expand the list of eligible products for a period of 18 months. Since the completion of the transition period, it is not clear whether processes in place for ensuring review and policy discussion on the food eligibility lists are being fully realized;
7) There is a need for the program design to better support the program’s objective of supporting the consumption of country foods;
8) Roles and responsibilities of AANDC and Health Canada are clear, however, communication efforts between departments could be improved;
9) The role of the Advisory Board and the Oversight Committee should be more clearly defined; and
10) Data collection and reporting procedures are in place for ongoing performance measurement; however, improvements should be made to data collection for measuring performance at the higher outcome level.

With respect to performance:

11) An increase in the access to nutritious food can be demonstrated clearly through program documents and shipment of food. There is still concern that the availability and affordability of food in general, remains problematic;
12) Program communications activities have facilitated discussion and engagement around food issues but less understanding of how the program works. Further, the extent to which the subsidy is being passed on was identified as not always being clear to
consumers, suggesting a greater need for transparency on retailer’s pricing before and after the application of the subsidy;

13) NNC is seen to be reaching a larger proportion of the at-risk northern population than Food Mail as emphasis is placed on the use of the retail store and less emphasis on the use of making direct or personal orders;

14) Nutrition education initiatives, including retail and community-based activities, were identified as being essential in achieving the ultimate outcome of the program;

15) Weather, capacity and infrastructure issues have the potential to be major hindrances to transportation in the North; and

16) The high cost of hunting, trapping and fishing, along with limited knowledge of healthy food preparation, has led many northern shoppers to turn to less-nutritious food options.

With respect to cost-effectiveness:

17) NNC has improved cost-effectiveness largely through its market-driven model and revised subsidized foods list;

18) Community-led food initiatives and investments in infrastructural capacity have the potential to decrease program costs while supporting eligible communities from within;

19) Although NNC’s subsidy budget has been able to support eligible communities thus far, with increased demand for the program, the capped budget may not be sufficient to support access to nutritious food; and

20) The cost containment strategy has not been fully implemented.

It is recommended that AANDC:

1. Review community eligibility criteria to ensure that it reflects NNC program objectives.

2. Review current governance structures in order to:
   a) clarify the purpose, role and responsibilities to ensure for an effective Oversight Committee; and
   b) clarify the purpose, role and responsibilities of Advisory Board, taking into consideration the level of resources required on the part of program management to support those activities.

3. Review current communication strategy in order to better coordinate NNC-related program communication and activities between AANDC and Health Canada.

4. Continue to develop data collection systems and tools in support of ongoing performance measurement, to support the program’s collection of data on longer-term outcomes.

5. Coordinate departmental efforts with provincial and territorial partners to improve the efficiency and effectiveness of the respective food subsidy programs in the North.
# Management Response / Action Plan

**Project Title: Implementation Evaluation of the Nutrition North Canada Program**  
**Project #: 150-7/12023**

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Actions</th>
<th>Responsible Manager (Title / Sector)</th>
<th>Planned Implementation and Completion Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong> Review community eligibility criteria to ensure that it reflects NNC program objectives.</td>
<td>Recommendations on community eligibility based on NNC program objectives will be developed. Key NNC governance bodies (Advisory Board and Oversight Committee) and partners such as Health Canada will be consulted.</td>
<td>Assistant Deputy Minister, Northern Affairs Organization</td>
<td>March 2014</td>
</tr>
</tbody>
</table>
| **2.** Review current governance structures in order to:  
a. clarify the purpose, role and responsibilities to ensure for an effective Oversight Committee; and  
b. clarify the purpose, role and responsibilities of the Advisory Board, taking into consideration the level of resources required on the part of program management to support those activities. | a) The purpose, role, and responsibilities of the NNC Oversight Committee will be examined and clarified.  
b) The purpose and role and responsibilities of the Advisory Board will be reviewed. | Assistant Deputy Minister, Northern Affairs Organization                  | November 2013  
February 2014 |
| **3.** Review the current communication strategy in order to better coordinate NNC-related program communication and activities between AANDC and Health Canada. | A shared communications approach will be developed in the fall of 2013. | Director General, Communications                                            | November 2013                                |
| **4.** Continue to develop data collection systems and tools in support of ongoing performance measurement, to support the program’s collection of data to measure longer-term outcomes | Appropriate tools and systems to collect and analyze trends are being designed and will be implemented. | Assistant Deputy Minister, Northern Affairs Organization                  | March 2014                                  |
| **5.** Coordinate departmental efforts with provincial and territorial partners to improve the efficiency and effectiveness of the respective food subsidy programs in the North. | Discussions will be held with willing provinces and territories in order to better coordinate efforts with respect to food subsidy programs in the north. | Assistant Deputy Minister, Northern Affairs Organization                  | March 2015                                  |
I recommend this Management Response and Action Plan for approval by the Evaluation, Performance Measurement and Review Committee

Original signed by:

Michel Burrowes
Director, Evaluation, Performance Measurement and Review Branch

I approve the above Management Response / Action Plan

Original signed on September 18, 2013, by:

Janet King
ADM, Northern Affairs Organization

1. Introduction

1.1 Overview

This report presents the findings and recommendations of an implementation evaluation of the Nutrition North Canada (NNC) Program.

The evaluation was conducted in response to the Treasury Board requirement that the program be evaluated in 2012-2013 in order to assess the transition from Food Mail and to inform Aboriginal Affairs and Northern Development Canada (AANDC) management on: 1) resource utilization; and 2) preliminary results and overall performance. The evaluation is expected to feed into AANDC’ status report to Treasury Board for October 2013. It does not evaluate outcomes related to the Health Canada component of the program.

This evaluation is in compliance with requirements from Treasury Board’s Policy on Evaluation. As per the Policy on Evaluation, this evaluation examines the five core issues of related to relevance and performance, including:

- continuing need for the program;
- alignment with government priorities;
- consistency with federal roles and responsibilities;
- achievement of expected outcomes; and
- demonstration of efficiency and economy.

Further, as this particular evaluation focuses on the implementation of the NNC, special attention was paid to issues related to design and delivery and best practices/lessons learned.

The results of this evaluation will inform an impact evaluation that is currently being planned for fiscal year 2014-2015. The impact evaluation is expected to focus on the achievement of all NNC outcomes, including those associated with the NNC Program’s nutrition education initiatives, managed by Health Canada. The impact evaluation will be a horizontal evaluation that is done jointly with Health Canada.

1.2 Program Profile

Nutrition North Canada operates within a northern geographic, economic, social, and cultural milieu that is significantly different from that found in the South. The program is aimed at individuals living in isolated northern communities that are not accessible year-round by road, rail or marine service. The limited accessibility of these communities contributes to the high cost of food, housing, and fuel. The majority of people living in communities serviced by NNC are Aboriginal people, many of whom are living in difficult circumstances as a consequence of limited educational attainment, high rates of unemployment and/or underemployment, and high rates of poverty (often times depending on social assistance to help make ends meet). The barriers that many Aboriginal people face are the consequence of factors that go beyond education, employment and poverty. There is a long history of social, economic, political and
cultural disparities that configure when contextualizing the current circumstance. Many are forced to decide which basic need to spend their money on – food, shelter or clothing. Added to this are high levels of addiction occurring in many northern Aboriginal communities – substance abuse and gambling. The relatively quick transition from a traditional subsistence way of life to participation in the wage economy has compromised the overall health and well-being of individuals and communities. Other challenges related to social and economic factors affect the well-being of Aboriginal peoples in Canada. These factors all collide to create high levels of food insecurity in northern communities.

There are strong cultural differences that exist between northern Aboriginal peoples and southern non-Aboriginal populations. These cultural differences translate into variations in notions of diet, food selection, food preparation, food storage and food gathering. Northern Aboriginal cultures involve sharing and, as such, community members do not typically store food, shop for the week, or shop in bulk. This tradition is rooted in the practices of their ancestors, who were hunters and gatherers and took only what was needed from the land. As a consequence of decreasing trends in country food availability and accessibility, increasing numbers of Aboriginal people are now consuming a diet high in non-traditional foods. The relatively brief transition period from a primarily traditional diet to one heavily dependent on non-traditional foods, means that some Aboriginal people, specifically the Inuit, may not be familiar with how to choose and prepare store-bought foods. The historic and cultural background of northern Aboriginal peoples must be taken into consideration when evaluating the effectiveness and impact of NNC on Northerners.

1.2.1 Background

NNC is a market-driven food subsidy program that seeks to improve access to perishable healthy food in eligible isolated northern communities.

The objective of the NNC is to make healthy foods more accessible and affordable to residents of isolated northern communities. By making nutritious food more accessible and more affordable, the program seeks to increase the consumption of nutritious foods and contribute to improving the overall health of the population, both Aboriginal and non-Aboriginal, living in the North.

NNC replaced the Food Mail Program, which was an airfreight transportation subsidy program operated by Canada Post since the late 1960s.

Population growth and increasing fuel prices were resulting in annual resource shortfalls, which required the program to seek additional funds from the fiscal framework each year. As a result, AANDC was directed by Cabinet to conduct an extensive review of the Food Mail Program and develop options to improve its efficiency in achieving its objectives, while maintaining financial sustainability and predictability.

In Budget 2010, the Government of Canada announced funding for a new program to improve access to affordable healthy food for Northerners. NNC was officially announced on May 21, 2010, as the replacement to the Food Mail Program, and the transition period began.

The NNC Program was launched on April 1st, 2011.
How the NNC Subsidy works

AANDC provides a subsidy directly to northern retailers, suppliers, and country food processors that apply, meet the program’s requirements and register with NNC by signing funding agreements with AANDC.

Under NNC, arrangements to ship food to northern isolated communities are managed by three categories of eligible recipients. Eligible recipients include:

- Northern Retailers: Retailers that operate stores located in eligible communities where eligible items are available for purchase;
- Southern Suppliers: Retailers and wholesalers that operate a business located in Canada where eligible items are available for purchase; that sell eligible products to northern retailers, eligible social institutions, establishments and individuals; and
- Northern Country food processors: Federally regulated country food processors/distributors and/or approved-for-export plants located in the North that supply eligible items to eligible communities.

Recipients must possess a Business Number issued by the Canada Revenue Agency, and agree to the terms and conditions of the arrangements to be made with AANDC to govern the transfer of funds (the subsidy).

These recipients claim the subsidy through NNC, based on the weight of eligible food shipped by air. When claiming the subsidy, recipients submit invoices and waybills detailing shipment information such as weight by category of eligible items, as well as destination community and recipient (i.e. store, individual, institution).

To assist in processing recipient subsidy claims, AANDC has entered into an agreement with a third party claims processor who is responsible for receiving, reviewing and processing recipient subsidy claims and supporting documentation.

Subsidy payments are made to recipients based on the weight of eligible items shipped to eligible communities. By signing the funding agreements with AANDC, NNC recipients are responsible for passing on the subsidies to their customers; providing proof of the nature of shipments; providing some visibility for the program; and for providing data on products shipped and pricing.

---

Subsidy rates are set on a per kilogram basis of eligible foods and vary by community. In general, subsidy rates tend to be higher for communities where operating and transportation costs are higher. A majority of the communities receive the full subsidy amount, while the others are eligible for a nominal subsidy.

Foods Eligible for a Subsidy under NNC

Nutrition North Canada subsidizes perishable foods, including country or traditional foods that are commercially-processed in the North.

Perishable foods can be fresh, frozen, refrigerated, or have a shelf life of less than one year. They must be shipped by air. A higher subsidy level applies to the most nutritious perishable foods, including fresh fruit, frozen vegetables, bread, meat, milk and eggs. A lower subsidy level applies to other eligible foods such as flour, crackers, ice cream and combination foods (e.g., pizza, lasagna).

Country or traditional foods (e.g. arctic char, musk-ox, caribou) are eligible for a subsidy under the program. These country foods must either be commercially-processed in the North and shipped by air to eligible communities (under the country food specific subsidy rate3), or shipped by plane from the South by a registered retailer or supplier (in this case they are eligible for the same subsidy as other meats). Currently, there are three country food processing facilities in Nunavut that meet the program’s requirements: Kitikmeot Foods in Cambridge Bay, Kivalliq Arctic Foods Limited in Rankin Inlet, and Pangnirtung Fisheries Limited in Pangnirtung.

AANDC maintains the list of eligible food items (referred to as the Subsidized Food List) and the list of eligible northern communities and is responsible for posting the lists and subsidy rates on the departmental website.

1.2.2 Program Objectives and Expected Outcomes

The NNC objectives are as follows, as per the program’s Performance Measurement Strategy (September 2010):

- Make nutritious food more accessible and more affordable;
- Support the consumption of country foods; and
- Provide nutrition education on healthy foods choices and develop food preparation skills by targeted Health Canada initiatives (led by Health Canada).

The activities undertaken by AANDC and Health Canada are intended to result in the following immediate outcomes identified by the NNC’s logic model (see Appendix A) as:

- Access to subsidized nutritious food in eligible communities (led by AANDC);
- Residents in eligible communities are informed about the program and subsidy levels (led by AANDC); and

3 http://www.nutritionnorthcanada.gc.ca/eng/1369163713467/1369163753662
Residents in eligible communities have knowledge of healthy eating and skills to choose and prepare nutritious foods (led by Health Canada).

All three of these outcomes lead to the intermediate outcome identified by the NNC’s logic model as consumption of nutritious food in eligible communities.

By making nutritious food more accessible and more affordable, the program seeks to increase its consumption and contribute to the ultimate outcome for NNC, which is Healthy Northerners living in eligible communities and ultimately improve the overall health of the population, both Aboriginal and non-Aboriginal, which is a key expected outcome of the Government’s Northern Strategy.

1.2.3 Program Management, Key Stakeholders and Beneficiaries

Program Management
Two federal departments have specific responsibilities in implementing this new program: AANDC and Health Canada.

AANDC has overall responsibility for the NNC Program. AANDC is responsible for providing, monitoring and verifying the subsidy for eligible foods and promoting program awareness, outreach and engagement. The Assistant Deputy Minister, Northern Affairs Organization and the Director General, Devolution and Territorial Relations are accountable, through the Deputy Minister, to the Minister for the implementation, management, monitoring and reporting of the food subsidy program. AANDC works with the Communications Branch to promote program awareness, outreach and engagement.

The program staff located at AANDC Headquarters administers the overall delivery of NNC. Their responsibilities include:

- Receiving and processing applications from potential program recipients;
- Managing funding agreements with recipients, including subsidy payments;
- Reviewing food price surveys;
- Identifying options for adjustments to the program’s subsidy rates, the list of foods eligible for subsidy and/or the list of communities eligible under the program in order to ensure financial sustainability;
- Monitoring program delivery and outcomes to assess the performance of the program;
- Procuring a third-party Claims Processor and working with them to ensure validity of claim submissions and to process funding payments;
- Working with retailers to ensure visibility (via promotional materials) of the program and of subsidy rates to the consumer;
- Ongoing development and refining of program policy;

---

As per the NNC Performance Measurement Strategy Annex B, Logic Model
• Supporting governance bodies, including outreach activities like public meetings in eligible communities;
• Supporting program communication of the program, including compiling and posting data on the program website, responding to public and stakeholder inquiries and feedback; and
• Responding to information requests, including Access to Information and Privacy.

Health Canada, through its First Nations and Inuit Health Branch, funds complementary nutrition education initiatives in fully-eligible communities in order to support increased knowledge of healthy eating and development of the skills to choose and prepare nutritious foods. Outputs linked to Health Canada’s component of the program are retail and community-based activities, such as: nutrition workshops, cooking classes, in-store demonstrations, educational materials, media, etc; and trained and supported community workers. The immediate outcome from Health Canada’s activities and outputs is that residents in eligible communities have knowledge of healthy eating and skills to choose and prepare nutritious foods.

In addition to newly funded activities, Health Canada provides an advisory role to AANDC in the selection and approval of eligible food items, as well as providing general expert advice in the area of nutrition.

**Stakeholders and Beneficiaries**

Key NNC stakeholders include:

- Northern retailers, southern suppliers and country food processors, who are the recipients of the subsidy;
- Aboriginal communities and organizations, and territorial governments who enter into contribution agreement with Health Canada to organize and implement nutrition education activities in support of NNC; and
- Northerners living in eligible communities, the ultimate beneficiaries of the program, who are represented to some extent by the External Advisory Board.

**Oversight and Advisory Committees**

An external Advisory Board with up to seven members and one technical advisor, was established to represent the perspectives and interests of northern residents and communities in relation to the management and effectiveness of the NNC Program. The members of the Board are selected by the Minister of AANDC in consultation with the Minister of Health and are appointed to a three-year term, renewable on a yearly basis. Board members are chosen based on their overall experience and their ability to expand public awareness, and participate on a voluntary basis, without decision-making power.

The role of the Advisory Board is to draw from the experience and expertise of organizations and individuals involved in transportation, distribution, nutrition, public health, government agencies, community development, retailers, wholesalers and others engaged in the provision of food to northern communities to advise the Minister of AANDC on various matters including, but not exclusive to, program performance, communications and public awareness, health and nutrition strategies, transportation systems, food supply chain management, food pricing, and food
eligibility, in terms of the ways in which they are serving the interests of northern residents or could be improved.

The Oversight Committee is comprised of Assistant Deputy Minister and Director General level executives from AANDC, Health Canada and Transport Canada, and Central Agencies (as ex-officio members). It monitors the achievement of program objectives and the effectiveness of cost containment measures. The intention was that they would also provide strategic direction to program managers on program policy and operations matters, as well as approving the subsidy rate schedule.

AANDC chairs the committee and seeks advice from Health Canada on health and nutrition-related issues, from Transport Canada on transportation-related issues such as the impacts of the new program on northern air services, as well as from Treasury Board Secretariat and the Department of Finance on the management of cost containment measures.

1.2.4 Program Data

Documents reviewed show that the following key steps are undertaken in data collection:

- AANDC personnel monitor and verify the subsidy process by collecting and analyzing data on food prices, volumes and shipment content.
- Data is used to support funding forecasts, program and policy reviews and adjustments, including adjustments to the subsidy rates, the list of eligible food and communities, and implementation of cost containment strategies and framework.
- Verification of recipient claims to ensure that funding obligations are being met are carried out by a third party. Outputs resulting from these activities include payments to recipients, subsidized food available for sale in eligible communities, reports on the cost of the Revised Northern Food Basket, allocation of subsidy and detailed shipment information, weight and subsidy forecasts and program-led risk-based compliance reviews.

Further, a Performance Measurement Strategy was approved by Evaluation, Performance Measurement and Review Committee in September 2010.

In January 2011, AANDC developed a control framework to monitor the relationship with third parties (AANDC subsidy recipients and contractors) to ensure neutrality, objectivity and that appropriate controls are in place. Benchmark data was to be collected prior to the launch of the new program in April 2011.

To assist with monitoring and reporting, AANDC collects from its subsidy recipients detailed information on shipments of eligible products (e.g., weight by pre-determined categories, destination community, and for southern suppliers, customer type) and pricing (northern retailers are required to submit the price of items in the Revised Northern Food Basket by community on a monthly basis). These data are used for performance measurement as they translate directly into performance indicators (Tier 1 indicators) for the first stream of program activities, outputs and immediate outcome (i.e., to provide, monitor and verify subsidy for eligible foods so that eligible communities have access to subsidized, nutritious food and commercially produced country food). The quarterly reports on food pricing include the cost for the final month of the quarterly period (i.e., June, September, December and March).
To this end, the program’s management team created databases and spreadsheets to store data on:

- Food prices for each item in the food basket.
- Shipment volumes on a per-community-basis and per-category basis.
- Subsidies paid out per-period and per-community.

The data collected are used to prepare quarterly, semi-annual and/or annual reports on food basket costs, allocation of subsidy and detailed shipment information; to produce weight and subsidy forecasts; and to target program-led compliance reviews. Additionally, a survey to measure the awareness level and satisfaction level of consumers about the program was planned by AANDC but has not been undertaken. However, AANDC has commissioned a major study of food retailing in the North that is currently being conducted by eNRG research group and the Transport Institute at the University of Manitoba.

1.2.5 Program Resources

Nutrition North Canada has a fixed budget of $60 million in program funding. Of this, $53.9 million is allocated for the subsidy component through funding agreements for eligible recipients managed by AANDC. AANDC also receives another $3.4 million for program operations.

The remaining $2.9 million is for the Health Canada nutrition education initiatives component of the program.

<table>
<thead>
<tr>
<th>AANDC</th>
<th>Annual Program Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vote 1:</strong> personnel, claims processing contract, compliance review contract, Advisory Board support, data collection, marketing / communication material</td>
<td>$3.4M</td>
</tr>
<tr>
<td><strong>Vote 10:</strong> contribution funding</td>
<td>$53.9M</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Health Canada</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vote 1:</strong> community implementation, capacity building, support</td>
<td>$0.3M</td>
</tr>
<tr>
<td><strong>Vote 10:</strong> contribution funding</td>
<td>$2.6M</td>
</tr>
</tbody>
</table>

| Total                                     | $60.2M                  |

*Totals may not add up due to rounding*
2. Evaluation Methodology

The Terms of Reference, developed during the planning phase of the evaluation, identifies the scope, proposed methodology, key issues and resources for the evaluation.

The Terms of Reference was approved by the Evaluation, Performance Measurement and Review Committee in September 2012.

2.1 Evaluation Scope and Timing

The evaluation scope included the period related to the transition from the previous Food Mail Program to Nutrition North (fiscal year 2010-2011), and the implementation of the first eighteen months of AANDC’s operation undertaken between April 1, 2011, and October 1, 2012.

The evaluation focuses on AANDC commitments as per the program’s logic model (Appendix A). It examines AANDC’s activities and outcomes and does not evaluate outcomes related to the Health Canada nutrition education components of the program as these will be evaluated as part of an impact evaluation to be done jointly with Health Canada.

The evaluation was undertaken between September 2012 and August 2013.

2.2 Evaluation Issues and Questions

The evaluation of Nutrition North Canada is aligned with the Treasury Board Secretariat’s Policy on Evaluation, and triangulates multiple line of evidence and examines the following core evaluation issues:

Relevance
- Is there a continued need for the program? (Continued Need)
- To what extent are program objectives aligned with a) government-wide priorities; and b) are they linked to AANDC’s strategic outcomes? (Alignment with government priorities and departmental objectives)
- To what extent are the objectives of the program aligned with the role and the responsibilities of the federal government? (Consistency with Federal Roles and Responsibilities)
- Is there duplication or overlap with other programs, policies or initiatives? (Consistency with Federal Roles and Responsibilities)

Performance – Effectiveness / Success
- To what extent has the NNC Program model created cost-effectiveness in terms of public money invested versus results (affordable food prices, etc.) compared to the former Food Mail Program?
- To what extent has access to subsidized nutritious food in eligible communities changed?
• To what extent are residents in eligible communities informed about the NNC Program and subsidy levels?
• To what extent are residents in eligible communities consuming subsidized nutritious food?
• What factors are facilitating or challenging the achievement of results?
• Has the NNC Program had any unexpected impacts, positive or negative?
• To what extent have the oversight committees and external advisory board been effective?
• To what extent do residents in eligible communities have knowledge about healthy eating and skills to choose and prepare nutritious foods?

Performance – Efficiency and Economy
• What modifications or alternatives might improve the efficiency and economy of the NNC Program?
• How can the NNC’s efficiency be improved? Are there opportunities to identify cost saving measures?
• How has the NNC Program optimized its process and quality of services to achieve expected outcomes?
• How can the NNC’s efficiency be improved?

Other Evaluation Issues
• Are there best practices and or lessons learned?

Design and Delivery
• To what extent does the program’s design facilitate the achievement of results? (including AANDC and Health Canada complementarities of their activities to deliver the program in order to achieve results)
• Are AANDC’s and Health Canada’s roles and responsibilities in delivering the NNC clear?
• To what extent has the NNC been implemented as planned? (e.g. staffing, level of effort, use of external claims processor)?
• To what extent has the governance structure been implemented as planned?
• Are adequate data collection and reporting procedures in place for performance measurement?

2.3 Evaluation Methods

2.3.1. Planning and Development of Methodology

NNC Evaluation Working Group
Subsequent to the approval of the Terms of Reference, a Working Group was formed.

The purpose of the Working Group was to provide feedback on key pieces of the evaluation, including feedback on the methodology and evaluation findings.
The Working Group included members from AANDC and, to a lesser extent, Health Canada. Representatives from Aboriginal organizations, the Inuit Tapiriit Kanatami and the Assembly of First Nations, contributed to the working group as resource representatives.

The Working Group met to review and provide feedback on the evaluation methodology prior to data collection. Subsequent meetings and exchanges were held with some representatives on an as needed basis.

**Detailed Methodology Report**

The development of the methodology for the evaluation was informed primarily by the NNC Performance Measurement Strategy (dated September 2010), which outlines some of the key indicators and information collected and through preliminary consultations with NNC Program management during the development of the evaluation’s Terms of and Reference. An initial review of program documentation, a media scan and evaluation team participation in two NNC Advisory Board Meetings and visit to the community of Nain, Labrador was also conducted as part of the planning process.

**2.3.3 Data Collection and Analysis Phase**

Data collection and analysis was conducted between January 2013 and August 2013, with visits to four communities currently eligible for the NNC Program.

The evaluation used multiple lines of evidence to respond to the evaluation issues and questions. A detailed explanation of the methods is provided below:

**Literature Review**

A review of domestic and international literature was conducted to examine issues of relevance, lessons learned, and best practices. Relevance was examined within the context of key issues related to the NNC Program. Specifically, the evaluation examined factors affecting the need for the program (e.g. food security, access to nutritious foods, food systems, and traditional food harvesting), how the program aligns with government role and priorities, alternative programs that support or contribute to similar outcomes, and best practices for providing nutritious foods to isolated communities.

The literature review began with a systematic scan of reports, documents, and articles using key words and phrases related to NNC. Key documents were identified for review and an index of documents was created. The list of documents was assessed to verify that there were no gaps, ensuring the literature review did not duplicate previous research. Care was taken to ensure previous research conducted for departmental evaluations or reviews was incorporated.

Documents were summarized, analyzed, and coded according to the evaluation questions. Major findings populated a literature review summary template. Common themes and insights as a result of the coding were interpreted and written in a findings summary document that was later triangulated with other lines of evidence.
The review of literature resulted in the identification of an extensive amount of literature relating to need, including the issue of food security and nutrition in remote locations resulting in strong evidence related to relevance. However, the literature review was less able to identify literature related to NNC and its effectiveness as a recently implemented program.

A list of literature reviewed and a findings template that analyzed the evaluation issues identified for the literature review was completed.

**Document review**
In total, over 80 key documents were reviewed and included, but was not limited to, the following:

- **Program and policy related documentation**: Memoranda to Cabinet, Treasury Board submissions, strategic plans, annual performance reports, related program evaluation and program audit reports, as well as other documents that make reference to NNC (e.g. documents related to Ministerial Review, speeches from the Throne, federal budgets, legislation, policy statements, etc.), NNC Performance Measurement Strategy, management responses and action plans and follow-ups and documentation related to the Health Canada component of NNC (NNC– Nutrition Education Initiatives Program Framework (2012-2013).

- **Documents internal to NNC operations**: actual program expenditures, quarterly reports, contribution agreements, list of registered recipients, communication and social media plans, payments made to recipients and the method used to calculate the payments, external compliance reviews and audit reports, level of subsidy by product, list and criteria use to select community and food eligible, cost of food basket and its method to calculate it.

A list of documents reviewed and a findings template that analyzed the evaluation issues identified for the document review was completed.

**Media Scan**
A media scan of relevant NNC news-related articles was conducted by analyzing press clippings against a framework based on the program’s Performance Measurement Strategy. The media scan included articles between January 1, 2011, and September 28, 2012. The media scan provided context and allowed for further refinement of the evaluation issues and questions as well as a line of evidence in the overall analysis.

**Data Analysis**
The evaluation also included an analysis of quantitative program data, which supports some of the other lines of evidence in the analysis of evaluation issues relating to performance and data-collection and reporting.
The data analysis examined transactions between April 1, 2011, and March 31, 2013. Information was extracted from the NNC database using the following categories:

- Community
- Reporting Category
- Kilograms by subsidy level 1, 2, country food and total
- Subsidy dollars by subsidy level 1, 2, country food and total

Community population was inserted into the database using the 2006 Census. Kilograms and subsidy dollars were calculated into per capita\(^5\) values for the purpose of the analysis. The data was then analyzed using SPSS One Way ANOVA with year (2011-12 and 2012-13) as the dependent variable, and with data aggregated by community or food reporting category as independent variables.

This allowed for information to be analysed by average per capita kilograms shipped and subsidy spent by Food Categories in 2011-12 and 2012-13, as well as by the average per capita kilograms shipped and subsidy spent by community in 2011-12 and 2012-13.

In addition, the program’s Cost Containment Strategy was identified for review. Documents, such as Treasury Board submissions and Oversight Committee meeting documents, outlining the various cost-saving methods available for the program were examined. Further, data published by NNC, such as kilogram amounts and subsidy amounts for different subsidized items were assessed in order to determine the use of the Cost Containment Strategy. Additional information about this analysis can be found in Section 6.3 of the report.

A technical report that analyzed the evaluation issues identified for the data review was completed.

**Key informant interviews**

Key informant interviews were used to gain a better understanding of perceptions and opinions of individuals who have had a significant role or experience in management and delivery of NNC as well as stakeholders who were expected to benefit from the program.

A total of 34 key informants were interviewed, as broken down by the following interview groups:

- Program Management/Accountability Partners (i.e. Program Administration, Communication, Claims Processers, Health Canada and Transport Canada) \(n=14\)
- Governance (NNC Advisory Board and NNC Oversight Committee representatives) \(n=3\)
- External Stakeholders (i.e. Aboriginal Representative Organizations and Provincial/Territorial Representatives) \(n=3\)
- External Experts \(n=3\)

\(^5\) Per Capita calculated using the total value for a community divided by the population of the community
Program Recipients (i.e. Retailers, Wholesalers and Shippers, Country food processors) [n=11]

Interview guides by interview group were designed to address all of the pertinent evaluation issues and questions and were tailored to the different respondent groups within each interview group, as applicable. This allowed for targeted questions that make the best use of the knowledge and experience of each key informant. As much as possible, common questions were applied across the guides to promote rigor and to strengthen the analysis.

All interviewees were sent the finalized guide by email in advance of their scheduled interview to allow for preparation for the interview. Key informants located in the National Capital Region were offered the option of being interviewed in person; most other interviews were conducted via telephone; and some interviews with external stakeholders outside the National Capital Region were conducted during, but separate from, case site visits where possible.

Key informant interview responses were organized, analyzed and coded according to the evaluation questions.

A findings template that analyzed the evaluation issues identified for the document review was completed. Due to the extensive amount of information collected through the key informant interviews, common themes and insights were compiled in a findings summary document that was triangulated with other lines of evidence.

**Case Studies**

Four case studies were completed in order to obtain various perspectives at the community level. Issues related to the relevance of the NNC, the transition from the Food Mail Program to the NNC, the effectiveness of the NNC to date, and design and delivery of the program were addressed.

<table>
<thead>
<tr>
<th>Community</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iqaluit, Nunavut</td>
<td>February 2013</td>
</tr>
<tr>
<td>Aklavik, Northwest Territories</td>
<td>February 2013</td>
</tr>
<tr>
<td>Cape Dorset, Nunavut</td>
<td>February 2013</td>
</tr>
<tr>
<td>Poplar River, Manitoba</td>
<td>July 2013</td>
</tr>
</tbody>
</table>

Several criteria were used to determine the communities selected: geographic representation, percentage of subsidy expenditures by region, subsidized products by weight per capita, community population and number of food outlets.

---

6 An additional case study was planned for the Quaqtaq in Northern Quebec (Nunavik) in March 2013, however, had to be cancelled due to inclement weather.
The following methods and information sources were used in conducting the case studies:

- **File and data review.** This was conducted primarily in Ottawa, drawing on any community-specific information in the NNC Program files. This informed researchers on the local grocery stores, any specific reports or media issues, and provided a consumption-related profile of the community using program data in advance of the site visits.

- **Key informant interviews.** These were conducted with community leaders, including council members and administrators responsible for health and food security, health practitioners, teachers, day care operators, managers of other local institutions, and retailers and other buyers participating in the program.

- **Focus Groups.** The focus groups were designed to obtain the views of local consumers and health representatives about the transition to NNC, accessibility of nutritious foods, food prices now as compared to under the Food Mail Program, comparisons of their options for obtaining goods, availability and cost of country foods, and other related issues they may wish to raise. Focus groups were conducted in Cape Dorset, Nunavut and Poplar River, Manitoba and varied in size from 3-23 participants.

- **Retail Store Observation.** A visit to each of the retail stores receiving the NNC subsidy in each community visited was undertaken. Retail store analysis was used to determine availability and accessibility to food. This was assessed using a questionnaire containing different indicators to assess the characteristics of the food stores visited and included, for example, the percentage of the store dedicated to non-food departments (e.g. pharmacy, clothing) versus fresh produce departments (dairy, produce, deli, and meat); food related services offered (e.g. fresh bakery, butcher); promotional information on Nutrition North Canada Program and availability of information of healthy food (pamphlet, posters), etc. This questionnaire was revised from an American community food security assessment tool. Additionally, the affordability and the quality/condition of 10 items of food were also noted in each community. The 10 items are part of the subsidized food list under Nutrition North Canada and part of the *Eating Well with Canada’s Food Guide: First Nations, Inuit and Métis.*

A technical report of the case studies, including a summary of the observation tool was completed that responded to each key evaluation question.

---


2.4 Considerations, Strengths and Limitations

2.4.1 Strengths

Existing documentation

A considerable strength for the evaluation is that the program has well documented the transition from the Food Mail Program to Nutrition North Canada and its current operation. The evaluation was able to take advantage of available documentation and quantitative data collected by the program at AANDC.

Multiple lines of evidence

The evaluation relied on the use of multiple lines of evidence in order to address the issues and questions identified for the evaluation. This not only helped to increase the rigor and strength of the findings but helped to compensate for any limitations affecting a particular line of evidence; for example, where interviewees declined to participate.

Interviewees

Key informant interviews as well as interviews included in the case studies have contributed significantly to the evaluation's findings. The range and diversity of opinions and experience among the respondents added to the strength and breadth of the evaluation. Further, many of the interviewees were helpful in supplying the evaluation team with additional documents and literature.

2.4.2 Limitations

Selection of focus group participants in case studies

A limitation on the selection of focus group participants in the case studies was that the recruitment of those participants was largely based on the assistance of a contact in the local community. Measures to mitigate any bias surrounding this practice included ensuring for a mix of individuals knowledgeable about the program but who also represented a cross-section of people from the community. Also, emphasis was placed on having the perspective of day-to-day consumers and not necessarily people employed by key stakeholders. Focus groups were conducted in all but Iqaluit, and involved community leaders, local residents, and health care practitioners.

Key Informant Interviews

Despite the large number of respondents identified as key informants (n=62), it was difficult to reach people for an interview. Over a quarter of key informants felt uncomfortable participating in the evaluation either because they did not feel familiar enough with the program or because they found the program contentious. As a result, the overall number of interviews completed (n=34) proved to be less than expected. Some key informant groups were more responsive as a
group than others. For example, no member of the Oversight Committee was available to participate in an interview. There was also some difficulty reaching all the members of the Advisory Board. The protocol for reaching key informants was to attempt to reach them by phone and email multiple times.

AANDC-Specific Focus of the Evaluation

For the purposes of this evaluation, limited information was sought from Health Canada relating to Health Canada’s culturally appropriate nutrition education activities, upon recommendation of the Working Group. The reason for this was largely due to the fact that, this being an implementation evaluation, the focus was mainly on AANDC’s immediate outcomes and because an impact evaluation was being planned for fiscal year 2014-2015, which would be conducted jointly by AANDC and Health Canada.

However, because an intermediate outcome of NNC relates to the consumption of healthy foods, the evaluation needed to address all issues that may contribute to the achievement of this outcome. Therefore, while evaluation issues and questions around the education initiatives pertaining to Health Canada were not explicitly asked, the evaluation did address the issue of the extent to which residents in eligible communities have knowledge about healthy eating and skills to choose and prepare nutritious foods in the context of how it contributes to AANDC’s intermediate outcome: consumption of healthy foods.

2.5 Roles, Responsibilities and Quality Assurance

The Evaluation, Performance Measurement and Review Branch (EPMRB) was the project authority for this evaluation and managed the evaluation in line with EPMRB’s Engagement Policy and Quality Control Process. The majority of the evaluation work was completed in house, with the assistance of Rick Gill of Alderson-Gill & Associates for a portion of the case studies. The EPMRB evaluation team identified key documents, provided a list of the communities selected for case studies, and names and contact information of First Nations and Inuit representatives as required. The team further expeditiously reviewed, commented on and approved the products delivered by the contractor.

An evaluation working group was formed in order to provide advice, as needed, to the evaluation team.

EPMRB evaluators who were not directly involved in the evaluation project conducted internal peer reviews for the methodology report and draft final report. The reviewers’ work was guided by EPMRB’s Peer Review Guide. This guide includes questions that reflect Treasury Board standards for evaluation quality and guidelines for final reports.
3. Evaluation Findings - Relevance

The following sections examine issues related to relevance, including:

- continued need for the program;
- extent to which program objectives are aligned with government-wide priorities and link to AANDC’s strategic outcomes;
- extent to which objectives of the program are consistent with the role and responsibilities of the federal government; and
- duplication or overlap with other programs, policies or initiatives.

Evidence is based on a triangulation of evidence from a literature review, key informant interviews, document review and case studies.

3.1 Continued Need

There is a continued need for NNC to increase access to healthy foods, including country foods, for residents of isolated northern communities.

All lines of evidence indicate that there is a strong and definite need for the program. High levels of food insecurity have been reported in the North compared with other regions, indicating a need to support food procurement.

According to key informant interviews, case studies, and the literature review, Aboriginal people experience the highest rate of food insecurity in Canada compared to non-Aboriginal households. 9 The Inuit Health Survey (2007-2008) reported very high rates of food insecurity in Nunavut (68.8 percent), and high rates of food insecurity in the Inuvialuit Settlement Region (43.4 percent) and the Nunatsiavut Region (45.7 percent). The literature review and case studies indicated that children in northern Canada have particularly high levels of food insecurity10, which may have negative effects on health outcomes.11 According to the World Health Organization “nutrition is an input to and foundation for health and development…better nutrition means stronger immune systems, less illness and better health. Healthy children learn better.”12

According to case studies and the literature review, food insecurity is associated with high costs of food and high cost of living in the North. Income is determined to be the strongest indicator of enabling access to healthy food, particularly for Aboriginal people. Case studies and the literature review found high cost of living and lower incomes of Northerners contribute to difficulties accessing healthy food. While median incomes are significantly lower for Inuit, the cost of a healthy food basket is at least two times higher than a comparable basket in southern Canada. Case studies and the literature review found that affording food in the North is even more difficult because of unemployment, low income, or those that are on social assistance.

The perception of key informant interviews confirmed that finding. The majority of respondents indicated a need for the program because of high food costs and cost of living in northern Canada. Some respondents cited a need for the program because of high costs in relation to low income and poverty in the north. Others considered a food subsidy program to be an essential program to living in the North, without which northern communities would be unsustainable.

Some literature sources noted the limited availability of healthy foods. Case studies and the literature review found store bought foods are generally more expensive and less nutritious when compared to country-food options. They also found that healthy foods are less available in the North because of remote geographic locations, resulting in lower food and nutrition outcomes for those areas. A few key informants stated a need for the program because of the difficult supply chain, high costs of shipping, and poor infrastructure. Some literature review sources and case studies found nutritious perishable foods are vulnerable to spoilage and damage while shipped.


long distances, but highly processed/packaged foods are easily transported and more readily available in stores.20

Case studies and the literature review also found that poor health outcomes for northern Aboriginal people related to nutrition demonstrates a need for the program. Aboriginal people, particularly the Inuit, are generally worse off than other Canadians for every health measure.21 Health problems in Aboriginal peoples related to diet include anemia, dental caries, obesity, heart disease and diabetes.22 In the North, poor health outcomes are generally linked to widespread dietary inadequacies.23

Poor health outcomes can generally be linked to the fact that case studies and the literature review found that residents generally rely on easy to prepare foods as an alternative to healthy country food options.24 These foods are often frozen or pre-prepared and contain high fat and sugar and are low in nutritional content. The literature review confirms this finding.25 Case studies and literature review found that a contributing factor to poor health outcomes included a lack of basic nutrition and health knowledge, as well as food preference.26

Case studies and the literature review both report the importance of country food to Northerners and a declining consumption of country food in the North.

### 3.2 Alignment with Federal Roles and Responsibilities

<table>
<thead>
<tr>
<th>NNC is clearly aligned to Government of Canada’s priority of supporting healthy outcomes for Canadians.</th>
</tr>
</thead>
</table>

As per the 2012-2013 AANDC Program Alignment Architecture, Nutrition North is identified as a sub-activity of the program activity area Northern Governance and People. This corresponding program activity area contributes to the Department’s strategic outcome area of the North through its expected outcomes of self reliance, prosperity and well-being for the people and communities of the North.

---

20 Ibid
21 Noreen D. Willows, July/August 2005 –S32-36
22 Kuhnlein HV, Receveur O, Chan HM. Traditional food systems research with Canadian indigenous peoples. *Int J Circumpolar Health* 2001;60:112-22.
26 Noreen D. Willows, July/August 2005
According to Canada’s Northern Strategy, the North was identified as a “cornerstone” of the Government’s agenda. Through Canada’s Northern Strategy, commitments were made toward several priority areas including exercising Arctic sovereignty, protecting environmental heritage, improving and evolving northern governance and promoting social and economic development. The launch of Nutrition North Canada was included as part of initiatives promoting social and economic development.

NNC contributes to that program and strategic outcome by improving access to nutritious perishable foods in isolated northern communities.

According to the 2012-2013 Report on Plans and Priorities for AANDC, NNC contributed to that expected result by:

- supporting northern communities and retailers to carry out the transition to Nutrition North Canada; and
- working closely with the program's Advisory Board, which represents the perspectives and interests of northern residents and communities and provides advice to the Minister on the management of the program.

### 3.3 Alignment with Government Roles and Priorities

NNC is clearly aligned with the roles and responsibilities of the federal government in supporting healthy outcomes in the North. While evidence of other food subsidy or healthy food programming was found at other levels of government, these programs were generally found to be complementary to NNC, rather than duplicative. At the same time, there appears to be a food policy framework that is fragmented across federal, provincial and local jurisdictions.

According to key informant interviews, some respondents were of the view that the federal role to subsidize food in the North was required from a health perspective in that it contributes to improving the quality of foods available and supporting healthy outcomes in the North. A few respondents indicated that the objectives of the program fall within the inherent responsibilities of the federal government, suggesting there would be gaps if the federal government did not fulfill this responsibility.

Literature review and key informant interviews noted that, Canada has signed several international and domestic agreements related to a right to food:

- The Universal Declaration of Human Rights (1948) describes human rights to be protected internally, including Article 25(1), right to an adequate standard of living, including food.

---

27 Speech from the Throne, 2011
28 Aboriginal Affairs and Northern Development Canada (AANDC) and Canadian Polar Commission, Report on Plans and Priorities, 2012-2013
In 1976, Canada ratified and put into force the International Covenant on Economic, Social and Cultural Rights (1966), which was an internationally binding. It contains Article 11, which states a right to an adequate standard of living, including food, and the fundamental right to be free from hunger.

In 1991, Canada ratified the Convention on the Rights of the Child, which includes articles 24 and 27, which set out obligations for rights of children to health and to give adequate standard of living.

A series of non-binding declarations were signed throughout the 1990’s, including the World Declaration on Nutrition (1992), which recognizes food as part of a right to an adequate standard of living; the Rome Declaration on World Food Security and World Food Summit Plan of Action (1996), which seeks clarification of content of the right to food, and Code of Conduct on the Human Right to Adequate Food (1997), which sets guidelines and principles for nations to implement right to adequate food, including state obligations at the national and international level.

The Government responded to these agreements in 1998 with Canada’s Action Plan for Food Security, which created a federal policy framework in response to commitments of World Summit Plan of Action and led to the formation of the Food Security Bureau within Agriculture and Agri-Food Canada.

On November 12, 2010, the Government of Canada formally endorsed the United Nations Declaration on the Rights of Indigenous Peoples in a manner fully consistent with Canada’s Constitution and laws. The Declaration speaks to the individual and collective rights of Indigenous peoples, taking into account their specific cultural, social and economic circumstances.

However, despite the above agreements related to a right to food, literature review also found that outside the Canadian Charter of Human Rights and Freedoms, there is no statutory obligation that guarantees the right to food.

Further, literature review and key informant interviews indicate that responsibilities for various components of a food policy framework are fragmented across multiple federal, provincial and local jurisdictions, meaning that Canada does not have an overarching food policy.

At the same time, the Government of Canada invests in community-based programs such as the Canada Prenatal Nutrition Program, Brighter Futures / Building Healthy Communities, Aboriginal Head Start on Reserve and Aboriginal Diabetes Initiative to promote nutrition and improved access to healthy foods. Local communities also operate programs that may contribute to similar long term outcomes (e.g. community freezers, food banks, nutrition education sessions, etc).

29 "The Supreme Court of Canada has stated that section 7 of the Charter may be interpreted to include the rights protected under the Covenant...the Supreme court has also held Section 7 as guaranteeing that people are not to be deprived of basic necessities - (p567) (The Committee on Economic, Social and Cultural Rights, 1998)

30 Bringing home the right to food in Canada: challenges and possibilities for achieving food security. Karen Rideout, Graham Riches, Aleck Ostry, Don Buckingham and Rod MacRae. 2007

31 Ibid
While there are some regional examples of food subsidy-related programs that aim to lower the price of certain healthy foods and which may contribute to similar long-term outcomes as NNC, the scope of these programs are not as broad as NNC, suggesting that they are complementary rather than duplicative.

Some programs identified by the literature review and through key informant interviews included the following:

- **Air Foodlift Subsidy Program.** Since 1997, the Government of Newfoundland and Labrador has provided air freight subsidies on select food items to retailers as part of the Air Foodlift Subsidy Program. The subsidy is applied to products after the NNC subsidy. Many respondents referred to the Aboriginal Fisheries Strategy Program as an example of complementary programming to NNC. No respondents were under the impression that the program was duplicative. Changes were made to the program in 2011 to coincide with the launch of NNC. These changes included making the subsidy a year-round subsidy, revising the eligible food list, increasing the air freight subsidy on fresh milk to 100 percent, and requiring retailers/wholesalers to be registered with NNC in order to be eligible for the Aboriginal Fisheries Strategy Program. The total amount of rebate offered was reduced from $80,000 to $30,000 in 2011 with changes made as a result of NNC.

- The Kativik Regional Government in Northern Quebec, since 2002, has operated a Food Program, which reduces the cost on common items by 20 percent at eligible stores. Examples of eligible items include baking powder, flour, pastas, rice, diapers, washing detergent and toilet paper. In 2009, approximately $1.13 million in subsidy was applied.

- **Northern Healthy Foods Initiative** is a grants-based program of the Government of Manitoba that supports self-sufficient food security initiatives in communities such as revolving loan freezer purchases, gardens and greenhouses, community food planning, etc.

- **Harvester Support Programs** are supported by the Government of Nunavut, the Government of Northwest Territories, and the Kativik Regional Government. These programs help with the purchasing of equipment required to support fishing and hunting trips such as boats, snowmobiles, and camping equipment. For some programs, individuals are paid for their time hunting. Other programs support traditional youth hunting through elders. Food is often collected and shared with community members in need, particularly elders.
4. Evaluation Findings – Design and Delivery

The following sections examine issues related to design and delivery, including:

- the extent to which the program’s design allows it to achieve results and the extent to which NNC has been implemented as planned;
- the clarity of AANDC and Health Canada roles and responsibilities;
- issues around governance structures and the extent to which oversight committees and external advisory board have been effective; and
- adequacy of data collection and reporting procedures for performance measurement.

These sections are based on the analysis and triangulation of evidence arising mostly from the document review, key informant interviews, case studies, and a review of available program data.

4.1 Program design

4.1.1 Supply-chain model

Evidence suggests that the NNC Program supply-chain model is well-suited to achieving program objectives of making food more accessible, largely in part because it enables retailers to organize their own shipping routes and secure competitive freight rates. Evidence from interviews and documents reviewed indicate that the supply chain design allows retailers the flexibility to make more economic choices and that the supply chain structure could result in the establishment of more efficient delivery routes.32

Further, documents reviewed suggested the devolution of transportation responsibilities to retailers is meant to contribute to both cost-savings and capacity development.33 Program documents outline the potential benefits, such as carrier systems under NNC having the capacity to lower the transportation costs per net kilo.34 Thus, community stores are better able to influence airline schedules, allowing them to better marry trucking schedules, where they are available. A few key informants have acknowledged this fact as a factor to facilitate the achievement of results.

4.1.2. Program Eligibility Criteria

Program eligibility criteria are preventing some fly-in communities from participating in the program resulting in an under-addressed need in those communities.

Program documentation indicates that in 2011-2012, under NNC, 82 communities were eligible for a full subsidy and 21 for a partial subsidy and in 2012-13, 84 communities were eligible for a full subsidy and 19 for a partial subsidy.

To be initially eligible for Nutrition North Canada, a community must:

- Lack year-round surface transportation (i.e. no permanent road, rail) and marine transportation link to southern centres; and
- Have used Food Mail, the Department’s previous northern transportation subsidy program. Communities that did not use the previous Food Mail Program are deemed ineligible for the subsidy under NNC.

Communities eligible for a full subsidy used the Food Mail Program extensively, which was defined as communities that received over 15,000 kg (annualized) of perishable food shipments or more than $4 per month per resident in transportation subsidies, between April 1, 2009, and March 31, 2010. Communities deemed eligible for a partial subsidy were those that made very little use of the Food Mail Program with between 100 and 14,999 kg (annualized) of perishable food shipments and less than $4 per month per resident in transportation subsidies during the same time period.

About half of the respondents interviewed indicated that the community eligibility criteria are an issue. Some key informants have questioned the terms of eligibility, explaining that there are many remote, fly-in communities that would greatly benefit from a food subsidy program, but are ineligible as a result of not utilizing the former Food Mail Program. Further, some communities have limited access to affordable healthy foods and would benefit from the subsidy, but do not meet the fly-in community criteria, despite being difficult to access by road. Although a few key informants recognized that including more communities would limit the amount of funding available given the funding cap of $53.9 million that is currently in place, they explained that there was an under-addressed need in some communities.

According to the document review, AANDC was expected to re-assess community eligibility in 2012-2013 to see whether any of the 19 communities currently on a partial subsidy should be on the full subsidy. AANDC will also consider whether any of the 30 fly-in communities currently not eligible should be eligible. According to interviews, a community eligibility assessment has not been completed at this time.

---

37 NNC Eligible Communities and Subsidy Rates: http://www.nutritionnorthcanada.gc.ca/eng/1366896628975/1366896685293
4.1.3 Food Eligibility List

The transition from Food Mail to NNC was facilitated by the decision to expand the list of eligible products for a period of 18 months. Since the completion of the transition period, it is not clear whether processes in place for ensuring review and policy discussion on the food eligibility lists are being fully realized.

From October 3, 2010, until the end of the Food Mail Program on March 31, 2011, non-food items, most non-perishable foods and some perishable foods of little nutritional value were deemed not eligible for subsidized airlift to eligible communities with access to seasonal marine transportation.38

This change was announced on May 21, 2010, in conjunction with the Government announcing its plan to replace Food Mail with NNC. However, from the launch of NNC on April 1, 2011, to September 30, 2012, the list of items eligible39 for the Nutrition North Canada subsidy was expanded to include all food, as well as most non-food items that were eligible under the Food Mail Program.

The decision to adopt an expanded list of eligible products for this 18-month period was taken to help ensure a smooth transition to Nutrition North Canada and to allow for two more sealift and one more winter road cycles.

On October 1, 2012, the program implemented a list of foods eligible for subsidy focused on perishable, nutritious choices. This list was expected to be reviewed annually and changes made if necessary. It was expected that feedback from Northerners on these lists would be provided. The program expected this feedback to come through the Advisory Board and through a survey that the program was to have conducted.

Some of the interview respondents indicated that they were dissatisfied with the change in eligible food items under NNC to exclude non-food items and some dry non-perishable food items. It was pointed out that many community members relied on non-food items such as snow mobile parts and diapers, which have become more expensive without the subsidy. It was additionally noted that high arctic communities receive infrequent shipments of Level-1 foods, and are often left with canned items that are no longer subsidized since they are mainly shipped via sealift or winter roads.

4.1.4 Country Foods

There is a need to better support the program’s objective of supporting the consumption of country foods.

Documents reviewed indicate that the harvesting of country foods can have significant costs, and only those with sufficient income can afford to do it. The case studies additionally indicate that access to country foods is also limited by not only high cost, but additionally a lack of distribution and food handling capacity, and declining local food sources.

In addition to the nutritional benefits, case studies and the literature review reported overwhelmingly on the benefits of country food to First Nations, Inuit and Northerners, including: cultural expression and tradition, social benefits associated with the practice of sharing, cooperation, and generosity, the relative affordability of traditional food compared with store-bought food and physical activity.

Some key informant respondents confirmed findings of the document review, that a subsidy such as the one offered by NNC for processed traditional food would facilitate the shipment of local traditional foods, but both the shipping costs and the distance with which food would have to travel makes a sharing network for traditional food less feasible. Concerns were also raised about a lack of commercial facilities in communities for processing traditional food in the North.

4.2 Roles of AANDC and Health Canada

Roles and responsibilities of AANDC and Health Canada are clear, however, communication efforts between departments could be improved.

Evidence from the document review and key informant interviews suggests that the roles and responsibilities of AANDC and Health Canada are clear in the overall management and delivery of the NNC Program as well as supporting culturally appropriate nutrition education.

---

Some key informants indicated that there were some difficulties in coordinating the approval of joint program materials between AANDC and Health Canada, suggesting that products and approaches could be better aligned. Key informant respondents were also mixed as to whether communication efforts between AANDC and Health Canada were fluid, or silo-ed.

Evidence from the key informant interviews and case studies suggest that there is some difficulty in communities distinguishing between NNC educational nutrition programming and other territorial government initiatives. The case studies indicate there are some territorial government programs, and others through local Aboriginal organizations, such as other cooking programs, that have overlapping funding objectives; therefore complementing Health Canada efforts under NNC. A few key informants indicated that some Health Canada activities that are not associated with NNC that should be, due to incorrectly associating them with similar local activities, and a few indicated that some activities are associated with NNC that should not be.

### 4.3 Governance Structure

**The role of the Advisory Board and the Oversight Committee should be more clearly defined.**

Evidence from the document review and key informant interviews suggest that the external Advisory Board has not only been established, but is fairly active, holding approximately three meetings per year as well as frequent conference calls. Some respondents additionally stressed that the Advisory Board members are committed to their roles, and want to make a positive difference. It was discussed that partnerships are enhanced with retailers, and the board membership will change consistently to bring in new ideas, thoughts and energy. It has ongoing activities involving meetings, public and community engagement, retailer and wholesaler engagements, and providing feedback towards program improvements.

According to program documentation, the Advisory Board provided considerable feedback to the Minister on the Subsidized Foods list and helped to inform the decision to extend the subsidy to a wider range of perishable dairy products and to bacon for the list that took effect October 1, 2012. Also, with Advisory Board input, communication tools were created to better explain NNC and its scope, including:

- *A Guide for Northerners* - intro and contact info for NNC
- *Subsidized Foods* – comprehensive list of foods eligible for subsidy as of October 1, 2012
- Videos that can be accessed through NNC website for program info
- Use of social media “Twitter” for program updates

The Advisory Board continues to inform AANDC communications initiatives and to monitor what it views as ongoing communication challenges, and is itself an important means of communication between consumers and the program.

---

45 ibid
Some concerns with respect to the Advisory Board have also been identified. A few respondents indicated that they believe an issue exists surrounding who the Board represents (AANDC, Health Canada, or Northerners) and how representative they are, expressing the view that not all regions are served equally by the Advisory Board. This is supported by evidence from the case studies, where participants voiced a need for improved mechanisms to have their suggestions and opinions incorporated into NNC planning.

Issues around the Advisory Board also include lengthy processes, political appointments and a general questioning of how much influence they really have. A few interviewed felt that they needed to be more empowered in their role in order to bring about meaningful change. It was noted by one respondent that the board should be an independent body, with its own secretariat, rather than falling under the purview of AANDC. Also, an opportunity to re-assess what the role of the Advisory Board should be was suggested.

The NNC Oversight Committee was formed to provide oversight on the program direction and operations on an ongoing basis. The Oversight Committee is also responsible for approving changes to subsidy rates. While evidence suggests that the Oversight Committee is established, discrepancies exist regarding the extent to which it is active. While some interview respondents indicated that it is active, only few had knowledge of its level of activity, suggesting it has met infrequently. Documented meeting minutes exist for two meetings during 2011\(^46\) and 2012\(^47\), again suggesting a lack of meeting activity. Evaluators sought the views of Oversight Committee members as key informant interviewees but were unsuccessful in arranging for key informant interviews with any member from of the Oversight Committee.

4.4 Data Collection and Reporting Procedures

The evaluation conducted a review of documents and data in order to assess adequacy of data collection and reporting for performance measurement. Key informant interviews were also conducted.

A considerable strength for the evaluation is that the evaluation was able to take advantage of available documentation and quantitative data collected by the program at AANDC.

Data collection and reporting procedures are in place for ongoing performance measurement but improvements could be made to data collection for measuring performance at the higher outcome level.

As per the NNC Performance Measurement Strategy, the program collects data from recipient claims and reporting templates on total dollars spent and kg shipped per recipient, community, and food category. Data is recorded using excel pivot tables and information in the database can be organized using any of the following variables: Province/Territory; Community Name; Food Reporting Category; Food Item Description; Client Type (Type of Retailer); Recipient Type

\(^{46}\) NNC Oversight Committee Meeting Minutes: Affairs and Northern Development Canada. (2011). Nutrition North Canada Interdepartmental Oversight Committee: Summary of Meeting on 28 September 2011 [Minutes].

Key informant interviews and data review indicate that challenges exist surrounding what can and is being measured. Additional evidence from both the key informant interviews and data review indicates that it is too early in the program to analyze data trends to make claims or assumptions, although a few key informants believed that there may be presently enough data to demonstrate some program success.

The data review findings indicate that there is sufficient data and reporting to measure the activities via indicators as outlined in the performance measurement strategy, but they are not necessarily valid for measuring performance at an outcome level and are limited in terms of supporting broader program objectives. Further, the immediate outcome of access to subsidized nutritious food in eligible communities and intermediate outcome of consumption of nutritious food in eligible communities cannot be properly supported solely by data measuring per capita kilograms or subsidy dollars. This was also corroborated by a few respondents in the key informant interviews. In order to support these outcomes, the indicator used by the program is the food basket prices published on the website, although it includes foods that are not subsidized under the NNC Program and relies on price information provided by the retailers.

A few respondents have indicated that the compliance reports are effective and useful for measuring program success, and as a result of performance measurement there is more accountability built into the program through stricter reporting requirements. The document review emphasizes the value in obtaining price data from program retailers, which is incorporated into the Revised Northern Food Basket.

Some key informants indicated that a number of issues surround accuracy and legitimacy of the data, including reliance on retailer attestation that the subsidy is being passed on, monthly price reports, trends in the food basket, consumer price index comparison, and compliance reviews. A few respondents indicated that it is problematic that there is no on-site price monitoring to ensure that the subsidy is being passed fully to the point of sale price. Due to the lack of submission of price information, the perception/question remains about whether the subsidy is being passed on fully to the consumers. It was suggested that the program should review and revise indicators for outcomes to collect data that can better support them. The data additionally does not include the full cost that retailers pay for getting the food on their shelves, and does not enable a determination of how the subsidy is affecting the final cost of the food.

The NNC Performance Measurement Strategy includes the completion of an annual survey to measure awareness about NNC and subsidy levels. Key informant interviews found that NNC had not yet developed the awareness survey to obtain feedback from northern community members, although a retail study was underway to better understand northern retailer costs.
5. Evaluation Findings – Performance
(Achievement of Immediate Outcomes)

The following sections examine issues related to performance and the achievement of immediate outcomes – specifically: *Access to subsidized nutritious food in eligible communities and residents in eligible communities are informed about the program and subsidy levels.*

As the scope of this implementation evaluation is limited to activities undertaken by AANDC during the first 18 months of the program, the program’s intermediate outcome of *consumption of nutritious food in eligible communities* (shared with Health Canada) is examined only to the extent possible.

This section used the following evaluation issues to examine performance:

- the extent to which access to subsidized food in eligible communities has changed (including country food produced locally);
- the extent to which residents in eligible communities are consuming nutritious food;
- the extent to which residents in eligible communities are informed about the NNC Program and subsidy levels;
- the extent to which residents in eligible communities have knowledge about healthy eating and skills to choose and prepare nutritious foods;
- factors facilitating or challenging the achievement of results; and
- unintended impacts.

5.1 Achievement of program outcomes – Access to subsidized nutritious food

**An increase in the access to nutritious food can be demonstrated clearly through program documents and shipment data of food. There is still concern that the availability and affordability of food in general, remains problematic.**

5.1.1 Access

Nutrition North Canada provided $54.1 million in subsidies during its first year in operation. More than 26 million kg of nutritious perishable and non-perishable food as well as certain non-food items were subsidized in 2011-2012. According to data reviewed, twelve nutritious perishable foods accounted for more than half of the annual subsidy amount, including: bread; frozen meat; fresh 2% milk; fresh meat; frozen potato products; eggs; yogurt; fresh potatoes; bananas; frozen poultry; unsweetened juice (in containers of 250 ml or less); and oranges.

---

With respect to the achievement of the immediate outcome of access to nutritious perishable foods, the clearest indicator is the amount of food subsidized (in kilograms).

Although, it is too early to identify trends with only two years of data, an analysis of average kilograms per capita, by community, for 2011-12 and 2012-13, indicate that milk and country food categories experienced an increase in shipments.

Meanwhile according to the data review, meat, poultry and fish; bread and bread products, cereals, crackers, flour and plain fresh and frozen pasta; cheese, yogurt and other dairy products; fruit and vegetables (fresh and frozen); eggs and egg substitutes; nuts, seeds, peanut butter and other nut butters, tofu and other meat alternatives; and non-prescription drugs all experienced little or no change.

A decline was found for the following: cooking oils, margarine, lard, shortening, butter, mayonnaise and salad dressing; infant formula and foods prepared specifically for infants; unsweetened juice; and combination foods (fresh and frozen).

On the issue of country food, an increase was found in the total kilograms of country food shipped through the NNC Program, including the number of communities that had country food transactions rising from four in 2011-12 to thirteen in 2012-13. This could be due to the fact that country food processors were not registered for much of the first year. Additionally, case study evidence suggests that, even with the increase of country food shipments through NNC, it has not yet had an impact on accessibility to country foods in most communities.

Finally, case study evidence from interviews conducted in four communities indicated that, in Iqaluit especially, and to a lesser extent in Aklavik, Cape Dorset and Poplar River, healthy food from the South is now more accessible than it was prior to NNC. Also, the quality of nutritious food was found to be better overall since NNC, although the variety of food items, such as fruits and vegetables and fresh meat, were still seen as limited in some communities.

5.1.2 Affordability

With respect to access from a cost or affordability perspective, program documentation and media reports from retailers suggest that prices of some subsidized food items have decreased since the implementation of NNC.

North West Company issued a statement indicating that NNC has lowered prices of healthy basket items by an average of 15 percent, claiming a 21.6 percent jump in net earnings in their second quarter, with sales up by 1.7 percent overall in Canada. They claim that the NNC Program has allowed for a revamped shipping model to lead to savings that will be passed on to consumer through price reductions of 15 percent on key products. Meanwhile, Stanton Group says they have seen savings of up to 35 percent on certain perishable foods and have reports to show the subsidy being passed on to consumers.

49 ibid
Additionally, the program’s performance is monitored using the estimated weight of eligible food purchased per capita. On a monthly basis, AANDC collects detailed information on shipments of eligible products and collects monthly price reports from registered northern retailers in order to calculate the cost of the Revised Northern Food Basket by community on a quarterly basis.

North West Company suggests that since the launch of NNC, across all 67 stores that are supported through NNC, prices were down an average of 22.3 percent on a basket of healthy food products, and that average consumption was up 11 percent for dairy, 8.6 percent for meat, and 25 percent for produce.\(^{52}\)

Additionally, according to program documents, analysis of food prices provided by retailers indicates that in communities eligible for a full subsidy, the cost of feeding a family of four a healthy diet for one week was on average lower by $34.16 or eight percent in March 2012 than in March 2011.\(^{53}\) Evidence of certain price decreases is also supported by the preliminary results of a Laval University consumer price survey that indicated the cost of fruit and vegetables dropped 36 percent; dairy has dropped 30 percent; but that the cost of frozen food, non-perishables and other household products have risen. The report went on to note that what costs $100 to buy in Quebec City, costs $183 in Nunavik.\(^{54}\)

Overall, the majority of key informants all agreed that food in stores is more affordable and accessible, despite retailer transparency concerns, but that these gains were still only in relative terms. Of these, a few specifically mentioned that prices had gone down and also, that availability of nutritious food had increased.

Nevertheless, evidence on this issue is somewhat contradictory. Program documents indicated that while Advisory Board members were told that supply chain efficiencies will allow prices to continue to drop in certain communities, they also heard that in Labrador, prices were unchanged and food quality was spotty. The Advisory Board was questioned by community members about suppliers’ accountability for passing on savings (on direct orders). Complaints were also received that some invoices do not clearly demonstrate how and where the subsidy was applied.\(^{55}\) Reports from the media also indicate that there are some who believe that food prices have actually increased. There have been many editorials and protests regarding the cost of food in the North overall. This is supported by a few key informants who felt that prices had not decreased as a result of the program. These key informants further mentioned that people in communities felt that the degree to which overall food prices went down was minimal.

---


\(^{53}\) ibid

\(^{54}\) Aboriginal Affairs and Northern Development Canada. (2013). *NNC Program Update (Presentation for NNC Ottawa Advisory Board Meeting)*. Ottawa.

On the issue of how design contributes to the achievement of objectives, about half of the key informant respondents indicated that the program design leads to more affordable and accessible nutritious foods, but that the improved accessibility and affordability are only relative and that food prices remain high. It was discussed by about half of respondents that food prices remain high in the North due largely to capacity and infrastructure issues, and that the NNC subsidy program is not and should not be considered the only solution to reduce food insecurity experienced by low-income families.

5.1.3 Consumption of nutritious food in eligible communities

With respect to the achievement of the intermediate outcome, consumption of nutritious food in eligible communities, while the program data was able to provide information on access in communities based on kilograms shipped, it was not able to directly inform and support findings regarding consumption of food.

However, the indicator, weight/subsidized food to the communities can serve as a proxy for consumption, the assumption being that the majority of the food being shipped is being consumed, with only minimal amounts ending up as spoilage.

In the media, North West Company claims that the consumption of dairy, meat and produce in Nunavut has increased 14-19 percent since NNC started. They also indicated that consumption of dairy went up 14 percent, meat was up 18 percent and produce went up 19 percent in 67 stores.

Case study analysis suggests that reported overall increases in consumption are more varied. According to those interviewed during case studies, consumption of fruits and vegetables appears to be low, but is starting to grow because of education and practical nutrition and cooking programs. The readily available easy-to-prepare food options, which are less nutritious, seem to be favoured by families used to traditional meat-based meals. Younger children, who were introduced to healthy eating habits in school, were more likely to try new fruits and vegetables, although it is unclear on the extent to which it is part of their regular dietary choices.

Case studies and key informant interviews showed that the consumption of country foods varies widely across communities, with some eating country foods a couple of days a week, and others barely eating it at all. For example, in Iqaluit, country food is difficult to procure and is, thus, eaten less often while in Cape Dorset, country food reportedly comprises at least 50 percent of the local diet. However, in most cases, residents’ consumption of country foods is limited to what friends and family bring home and share, or what might be available through various regional food distribution initiatives, rather than through NNC and the local grocery store.

---

56 Nunatsiaq News. We like the Nunavut food coalition, NWC says. June 19, 2012
5.2 Residents in eligible communities are informed about the NNC Program

Program communications activities have facilitated discussion and engagement around food issues but less understanding of how the program works. Further, the extent to which the subsidy is being passed on was identified as not always being clear to consumers, suggesting a greater need for transparency on retailer’s pricing before and after the application of the subsidy.

5.2.1 Communication Activities

The document review indicates the development of communication tools, protocols and products designed to raise program awareness, enhance clarity around goals and objectives, and provide the public with the means to interact with program officials. Some of the products include an NNC Facebook moderator guide, social media engagement approach, Food Mail Program-NNC transition communications strategy and work plan, communications strategies, and an advertising plan.

Many respondents within the key informant interviews identified the existence of various communications products for the program, including: radio ads, radio interviews, posters, letters to the editor, social media pages, the NNC website, and a program Facebook page (which was brought up most frequently and by the majority of the respondents).

Several concerns identified by respondents about program communications were that communications messages were generic and did not address questions and concerns about the program; some confusion exists between NNC materials and the materials of other similar programs and initiatives; and a disconnect exists from the program staff, given that the program Facebook page is being managed by the Communications Branch. Additional concerns were that the NNC website is not easy to navigate and information about NNC was not being communicated in appropriate Aboriginal languages and writing formats.

Retailers, however, have reported in-store signage making a positive difference in consumption habits. As part of the requirements for retailer recipients, retailers must agree to make the program visible through in-store signage and displays, and the subsidy transparent via on-receipt messages. It is noted within the documents, however, that recipients are not forced to install or distribute promotional material that promotes provisions of the program that are not in the recipients’ business interests. Evidence from the case studies suggests that retailers are not systematically using available signage and other promotional materials for the program. In other

---

words, some retail stores do have labels and posters promoting the program and/or the subsidy rates or savings while others do not. This is supported by evidence from key informants, case studies, and compliance reviews that indicate inconsistent use of promotional materials across retailers within the program.

5.2.2 Consumer Awareness

Some evidence suggests a change in public discussion around NNC, indicating improved awareness of the program.

With respect to key informants, many respondents indicated that program presence or the awareness of the existence of the program is high and that there has been a lot of publicity, (including adverse publicity mentioned by a couple respondents) on the NNC. Further, a few interview respondents indicated greater awareness of NNC due to communication efforts and expressed a comprehensive knowledge, and ability to identify differences between Food Mail and NNC. Program documents indicate that analysis of the public environment suggests that there has been a change in the public discussion around NNC such that there seems to be a greater understanding of the limited role of the program and how the program itself works.65

Additionally, documents state that public education of the facts on NNC has been successful-determined based on more balanced mainstream and social media coverage.66 Facebook engagement has been strong following the rise of Feeding my Family, and NNC has leveraged this to highlight positive aspects of the program and encourage interactions between people. Evidence suggests that the NNC Facebook page resulted in an increase of 73 percent more time spent by viewers exploring the NNC website, and a 21 percent increase in the number of pages viewed.67 The use of social media is highlighted in the case studies as well, where outlets such as Facebook were favoured by community members as a way to express their concern about high food costs and a lack of government action.

At the same time, overall awareness of the NNC is inconsistent, with the program more familiar among retailers, while most case study respondents do not understand the program and continue to confuse NNC with the pre-existing Food Mail Program. Case studies showed that readily available information about the NNC is very limited, both around the communities and in-store. It has been indicated to the Advisory Board that communication challenges and inadequacies still exist between the program and consumers.

Both key informants and case studies suggest that the average resident in the communities is unlikely to know about the program. Some interviewees commented on the lack of apparent public knowledge of NNC. Conversations with case study respondents pointed to a limited knowledge of actual government action to address the high cost of food and a lack of awareness of the details of NNC. It was reported that to some extent, suspicion of retailers passing on the subsidy remains, and many Northerners want the subsidy to be higher.

66 ibid
Media analysis corroborates the notion that residents still may not understand the program and don’t trust that the businesses are treating people fairly. Based on media review and case studies, the public’s awareness of NNC focused primarily on sensitivities to high food costs. They are concerned about high prices and are not convinced that the subsidy is being passed on to them.

Document review also indicates that despite audit/verification in place, perception persists that subsidy is not being passed on due to higher-than-expected prices, and questions remain in terms of how to access subsidy and what to do. It was noted that the subsidy and influence of other cost-drivers need to be explained to consumers. With the information provided, shoppers felt it was difficult to calculate actual individual savings resulting from the NNC subsidies.

### 5.3 Reach

**NNC is seen to be reaching a larger proportion of the at-risk northern population than Food Mail as emphasis is placed on the use of the retail store and less emphasis on the use of making direct or personal orders.**

Key informants and community members in the case studies have noted that the retail based-model allows the program to reach more of the lower income population. As credit cards are necessary for personal orders, many lower income families are unable to place direct orders. A few key informants recommended eliminating personal orders altogether.

Also because the subsidy is passed along at the supplier level and requires additional reporting, the number of personal orders seems to have gone down.

According to documents reviewed, Food Mail did not collect statistics on personal orders but it was estimated that personal and restaurant orders made up about 10 percent of Food Mail funding. In contrast, according to program information, there is data available on NNC and direct orders: in its first year, 16 percent of subsidy dollars flowed through southern suppliers with eight percent of direct orders placed by unregistered northern retailers, three percent by individuals, two percent by social institutions and three percent by hotels and restaurants, meaning only eight percent of subsidy dollars was accessed outside local stores.

---

68 Kivalliq News. Setting the bar on profits. May 16, 2012
5.4 Factors are facilitating or challenging the achievement of results?

*Nutrition education and programming are essential in achieving the ultimate outcome of the program.*

Case studies suggest that the majority of Aboriginal residents in isolated northern communities do not have sufficient knowledge and skills about healthy eating and meal preparation to enable them to have healthy diets in the absence of country foods.

Case studies and key informant interviews indicate that the transition from a country foods diet to a more southern foods diet is made easier with the help of nutrition education and training. Exposure to southern foods and attendance in local nutrition programming often led to a better understanding of nutritious southern food purchasing and preparation. The transition from a country foods diet to a nutritious southern diet has become necessary for communities facing limited access to traditional country foods.

Respondents interviewed during the case studies noted that the lack of education was a hindrance to the program and existing nutrition education is very beneficial in instilling healthy eating habits. In particular, a few key informants explained that educational programming has been greatly supportive of nutrition education in schools and for people with specific illnesses, such as diabetes.

As such, key informants emphasized the need to continue the educational component of NNC currently being delivered by Health Canada. Literature sources reviewed for the evaluation corroborate this point – early childhood nutrition education has been shown to improve eating habits in later life.72

*Weather, capacity and infrastructure issues have the potential to be major hindrances to transportation in the North.*

Some key informants made the point that harsh weather conditions affect both the quality of the already limited infrastructure in remote northern communities, and increase the cost of transportation. A few key informants brought up difficulties in maintaining and using roads and airline runways in harsh weather conditions, particularly as it relates to supporting more affordable and accessible food. Documents reviewed mention changes in the types of airlines allowed to operate in the North, as well as the types of airplanes that can land on gravel runways, which further limits the transportation options.

Further, capacity limitations in communities have an impact on program delivery. For example, storage options and the availability of community freezers can improve food planning, making healthy eating more affordable. Northern retailers themselves, according to the literature review and media scan, must cover the price of high overhead costs such as electricity and quickly depreciating capital.

---

72 World Health Organization, 2007
Changes in the climate have resulted in erratic weather behaviour, and according to the literature review and case studies, this has resulted in changes to the animal stock available for the procurement of country foods. 73 Certain animals have become at risk, making them harder to find. The unexpected changes in weather have also made it more dangerous for hunters, trappers and fishermen.

The high cost of hunting, trapping and fishing, along with limited knowledge of healthy food preparation, has led many northern shoppers to turn to less-nutritious food options.

As the literature review suggests, country foods are still a significant source of food for many Northerners, and meats in particular. According to nutrition studies reviewed, country foods are high in nutritious content, such as vitamins A, E and D found in whale, walrus and caribou. 74 With the increased availability of southern foods in northern grocery stores, many northern shoppers are turning to pre-packaged meals that are often high in saturated fats and sugar. A few key informants, as well as interviewees from the case studies, explain that many community members are lacking the knowledge about healthy eating and food preparation skills necessary to choose and prepare healthier food alternatives.

Case studies and a few key informants have also mentioned northern buying habits and the difficulties facing lower-income community members. With limited financial resources, limited budgeting and planning skills, capitalising on discounts from buying food in bulk for making meals ahead of time is not an option for many NNC users. Further, the literature review shows that there has been a decrease in the traditional sharing of country food due to hunters selling off their excess meat rather than sharing it in the community.

5.5 Unintended impacts, positive or negative

There have been a number of unintended impacts as a result of the transition from Food Mail Program to NNC:

Interest from Non NNC Communities

Multiple lines of evidence, including approximately 50 percent of interviewees noted that the increase in public awareness of the NNC Program has resulted in further requests from fly-in communities that are currently ineligible for NNC to join. However, approximately the same amount of key informants said that with a capped budget, NNC does not lend itself well to growth. This has the potential to add pressure on the program's limited resources. 75

...
Impact on Retailers

Multiple lines of evidence suggest that some of the smaller retailers have had trouble competing with larger chain stores in northern communities because they have less capacity or power to negotiate with airlines or suppliers compared to larger stores. Some concern has been raised on how this may negatively affect competition in communities with multiple stores. Evidence of smaller retailers regrouping, through the Arctic Co-op for example, has shown to increase the efficiencies for some of these smaller retailers.

A few key informants also indicated the general administrative burden of paperwork and reporting associated with the program. With the change in reporting requirements under NNC, the data available has changed to supplier and retailer-based information. This has particularly impacted smaller retail stores that are independent of large chains, who have noted having more difficulty with the NNC-related reporting requirements due to a lack of technological capacity. The amount of paperwork was seen as especially burdensome in light of the amount of money they receive in subsidy returns, though a few suppliers/retailers also noted that the new system has improved their business processes. Other suppliers, however, are calling for a more efficient reporting system.

Storage and Infrastructure

As mentioned previously, one of the impacts of the transition to NNC is the increased need for storage capacity, such as freezers and warehouses, to store large quantities of food in northern communities. Under Food Mail Program, policies regarding provincial shipping rates made it more advantageous to fly in non-perishable products than to invest in warehouses. With the revised food list, in order to keep costs down, retailers have increased their bulk purchases, particularly via sealift, to bring up items that are no longer eligible to be flown in using the subsidy rate. This in turn requires advanced planning during the months when there is no freeze-up on water passages and a greater need for storage space to stock the full year supply of items that arrive by barge. There is some concern by a few key informants that the state of infrastructure currently in place in many communities is insufficient to meet the increased storage needs, particularly around refrigeration.

Additionally, in some cases, having to order some items so far in advance, as well as lacking proper storage infrastructure, has led to some products passing their expiry dates and spoilage, which add to food costs.

---

77 ibid
Public Perception

Another unintended impact of the program revolves around the varied and widespread public opinion about the program. A few key informants noted that the program is quite unpopular among the public and has not been good for the Department's reputation due to public criticism and a lack of consumer support. Most of these key informants believe that this is due to the lack of knowledge around the previous Food Mail Program. As a result, NNC has had to address a number of the issues facing the previous program, including program reach and transparency.

Additionally, almost half of key informants raised the point that community members were not aware of the full details of the Food Mail subsidy program and its shift towards NNC. There was the perception that a program was being taken away only to be replaced by one with fewer eligible items. The case studies suggest that many community members are unfamiliar with the specifics of the program and do not know how much money they are saving on their purchases.

A few key informants further noted that they felt the program was oversold on what it would be able to achieve, and this created an unrealistic expectation around the impact on prices that AANDC is still trying to correct. The mission of NNC was not clear to a lot of people for a long time. A few key informants felt that the communications for NNC did not adequately reflect the purpose and objectives of the program to community members.

Perceptions on Prices

The evaluation found significant evidence of a perception by many northern consumers that the subsidy is not being passed on to them. Despite recipient attestation and compliance reviews by third party auditors to ensure accountability and passing on of the subsidy, perception persists that subsidy is not being passed on fully. This perception is exacerbated by reports that North West Company's stocks and profit margins continue to rise. NNC transparency is weak because consumers do not know the cost of transportation and of operating stores in isolated communities, before or after the subsidy. Decreased transparency leads to decreased trust in retailers, some feel retailers are taking advantage of customers. It is reported that many want a regulatory process put in place to regulate food prices consistently in stores.

---

78 Ottawa Citizen. Nutrition North was no fix for successful program. June 26, 2012
6. Evaluation Findings – Effectiveness (Efficiency and Economy)

This section examines effectiveness issues related to the achievement of efficiency and economy and examines the following issues:

- To what extent has the NNC Program model created cost-effectiveness (in terms of public money invested versus results compared to the former Food Mail Program)?
- What modifications or alternatives might improve the efficiency and economy of the NNC Program?
- How can the NNC’s efficiency be improved? Are there opportunities to identify cost saving measures?
- How has the NNC optimized its processes and quality of services?

6.1 To what extent has the NNC Program model created cost-effectiveness

NNC has improved cost-effectiveness largely through its market-driven model, revised subsidized foods list.

The freedom given to retailers to determine their own transportation routes and supply chains is seen to have been an integral element of the program’s design as it transitioned from Food Mail to NNC.

NNC follows a market-driven model meant to increase efficiencies and capitalize on the cost-effectiveness of a market-based competitive procurement process\(^8\). This is because as the subsidy is passed on when the retailer/supplier transaction occurs, there is an inherent incentive for retailers to ship eligible items into their communities at a lower cost to themselves.

Under the Food Mail Program system of a transportation subsidy, the flat shipping rates were subject to exogenous shocks, such as oil prices or winter weather conditions\(^9\). Conversely, under NNC, the subsidy rates are charged per kg shipped, and are thus unaffected by outside forces, creating more incentive for retailers and suppliers to determine creative, low-cost shipping alternatives.

Most of the key informants who spoke about the cost-effective changes between Food Mail and NNC agreed that the transition has resulted in more efficient food transportation and supply chains for retailers.

---


Some respondents noted that retailers have experienced an increase in their bargaining power with airlines and other shipping companies. Community members in communities visited during case studies noted that there is a more frequent and reliable availability of fruits and vegetables and meats since the implementation of NNC. Community members commented on the better selection and improved quality of the produce.

Ultimately, as the documents reviewed explain, NNC has subsidized more food than Food Mail with the same amount of money. Although it is difficult to pinpoint precise causes of cost-savings, because of the open nature of the market, these savings were likely due to the retailers’ transportation decisions.

The documents reviewed outline the changes in the types of food currently eligible for a subsidy under NNC. As the objectives of NNC are to improve access and affordability of nutritious foods, a number of items that were eligible under Food Mail are no longer available with the current subsidy program. Under NNC, the focus of the subsidized foods list is on perishable foods. To promote the use of more cost efficient modes of transportation such as sealift and winter roads and to foster market-driven innovation and efficiencies, non-food items and non-perishable foods are not included on the list of items eligible for subsidy.

The program’s monitoring of food prices has shown that the cost of all items, perishable and non-perishable, in the Revised Northern Food Basket, a basket of 67 goods that make up a nutritious diet for a family of four for a week, was $34.16 (or eight percent) lower in March 2012 than in March 2011, before the program’s launch. Although eligible food is more affordable, key informants disagreed over the merits of the revised food eligibility list and the Revised Northern Food Basket. It should be noted that about 1/3 of the foods from the Revised Northern Food Basket are not eligible for subsidy. Some key informants also noted that the revised food list does not necessarily determine what people consume.

6.2 Modifications or Alternatives for improving the efficiency and economy

Community-led food initiatives and investments in capacity have the potential to decrease program costs while supporting eligible communities from within.

6.2.1 Alternatives

The communities visited for the case study portion of the evaluation (Cape Dorset, Aklavik, Iqaluit and Poplar River) offered nutrition or health education to their community members. Residents mentioned that more education could be beneficial in increasing the consumption of nutritious foods, which could subsequently increase retailer demand. Community members also noted that it is difficult for lower-income families to plan ahead when they do not own credit cards that are required for personal or direct orders. Because of infrastructural and capacity

---

issues prevalent in northern communities, lower income families may not be fully benefiting from the program if more education on shopping and food planning is not offered.

Key informant interviews corroborate the case studies, noting that increasing the nutrition education component of NNC would lead to a better understanding of healthy eating within communities. Two key informants found the dedicated funding for Health Canada’s nutrition education initiatives to be a very positive part of NNC.

When raising the question of food security in northern communities, many sources have pointed to the importance of active community participation to overcome scarcity of nutritious foods. Community-led initiatives have been proposed to supplement NNC. A few key informants mentioned the possibility of increased greenhouse use in northern communities to grow nutritious fruits and vegetables in the communities. The high cost of energy sources has deterred communities from relying on this alternative further. Alternatives such as greenhouses have the potential to alleviate food needs, possibly without spending limited subsidy funding.

The media scan has highlighted the importance of country foods to developing community involvement and engagement. Country foods can be seen as a community initiative. Some key informants interviewed have found the country foods subsidy difficult to access, explaining that the food has to come from a processing plant.

Documents reviewed and some key informant interviews noted the significance of long-term programming, concerned that a lack of long-term food development policy might create further problems. Community-led alternatives such as the greenhouses to grow fresh local produce were identified as a possible alternative. Although benefits from such initiatives will not be evident in the coming few years, they have the potential to supplement existing programs, such as NNC.

According to key informant interviews, most respondents stated that the NNC Program was addressing one or more of the food security issues. Some specifically mentioned that food security is a broader issue that NNC cannot address independently as other factors contribute to food insecurity in the North.

6.2.2 Capacity

During the transition period, between April 1, 2010, and March 31, 2011, AANDC had three main objectives: 1) to begin the transition towards a new northern healthy food subsidy program; 2) to operate the last year of the Food Mail Program; and 3) to terminate the Agreement between the AANDC and the Canada Post Corporation.

Although NNC replaced the former Food Mail Program, NNC was launched on April 1, 2011, as an entirely new program. During the introductory phase of NNC, program management noted that significant time and attention was required by NNC Program management and staff to develop new practices and processes while also managing and responding to increased public and media inquiries on the new program.
Given the NNC is a market-driven program, predicting consumer demand was challenging and there was limited data or similar programs from which to draw experiences or lessons learned.

Despite structural support, community members during the case studies explained that local infrastructural capacity made it difficult to transport fresh produce and to guarantee quality. As part of the funding for the transition from Food Mail to NNC, $1.15 million was allotted to CanNor to support infrastructural upgrade projects in the territories. Half of the key informants interviewed about capacity believe that the program could use additional resources to undertake all the necessary activities. One informant explained that NNC’s administrative costs are now higher, since the partnership with Canada Post no longer exists. Some key informants have commented on the technological barriers to receiving certain claims documents.

6.3 How can NNC’s efficiency be improved? Are there opportunities to identify cost-saving measures?

Although NNC’s subsidy budget has been able to support eligible communities thus far, with increased demand for the program, the capped budget may not be sufficient to support access to nutritious food.

NNC operates under a fixed subsidy budget of $53.9 million a year. As the program documents explain, this funding accounts strictly for the subsidies paid out during the retailer/supplier transactions, and is separate from educational and operational funding.

In 2011-2012, NNC subsidized 29 percent more kilograms, with lower program expenditures, than Food Mail had in its last year of operations. This suggests increase cost-effectiveness.

The capped budget, however, has the potential to limit growth. Under the cost-containment strategy, safeguards are in place to mitigate any risk of over spending the $53.9 million. However, as most key informants have pointed out, the capped budget limits any growth in demand resulting from additional communities eligible for the program. The more communities eligible for the subsidy, the fewer subsidy dollars are available. Note that the capped budget also does not account for population growth and increased consumption.

Cost-containment strategy has not been fully implemented.

AANDC has a cost containment strategy to ensure program sustainability. The cost containment strategy includes mechanisms to closely monitor program expenditures and trends in demand, government and decision-making processes and criteria, and a control framework to manage relationships with third parties.

Decisions on subsidy rate adjustments and eligibility are informed by data that are collected under NNC. Demand forecasts based on trends for the upcoming year are prepared in January of each year and are to be used, with data on food prices by community, to determine the subsidy

rates per community for the upcoming fiscal year. In the event demand levels are higher than anticipated during a specific fiscal year, an in-year adjustment to rates would be implemented.

Decisions on the eligibility list with the objective of further containing the cost of the program are brought forward to the Advisory Board who makes recommendations to the Minister on options to reduce the cost of the program.

The cost-containment strategy is in place to off-set over or under spending. It should include mechanisms to closely monitor program expenditures and trends in demand, governance and decision-making process and criteria, and a control framework to manage relationships with third parties.

Evidence suggests that despite levers available to making adjustments, the cost-containment strategy has not been fully implemented.

The program has two levers through which to contain over or under spending:

*Adjust subsidy rates*

The rates are established at levels that take into account recipients’ shipment forecasts and the program’s subsidy budget of $53.9 million. Recipients update their forecasts periodically because Northerners’ demand for eligible products changes over time. The program expects to analyze and adjust if necessary the subsidy rates twice each year – on April 1 and on October 1. Rates were adjusted in October 2011 and have since remained unchanged.

*Streamline eligibility lists*

The program is also able to change the list of eligible communities and items in order to contain over or under spending by increasing or decreasing eligibility accordingly.

According to documentation from the Oversight Committee, the body involved in monitoring the NNC budget, funding shortfalls were expected to occur as of February 2013. Documents reviewed indicated that the cost-containment strategy led to a plan to decrease level-one subsidy rates by $0.45/kg by July 1\text{st}, 2012 to reach a $0.2 million surplus or a $0.65/kg by October 1\text{st}, 2012, to break even. However, there is limited evidence that shows the cost-containment strategy is being fully implemented.

6.4 **How has the NNC Program optimized its processes and quality/quality of services to achieve expected outcomes?**

The terms of the funding arrangements with the recipients are governed by contribution agreements with AANDC. These agreements specify, among other things, the recipient’s responsibilities with respect to transparency of the subsidy, accountability, marketing, data reporting and audit. A third party Claims Processor handles claim submissions and answers general questions on claim submission procedures from program recipients. Additionally, recipient compliance reviews are conducted by another independent third party.
About half of the key informants identified the claims process as an improvement in accountability, over Food Mail. Some informants did note that there could be improvements within the measures used and the data collected. As seen in the capacity analysis, a few key informants noted the need for additional staff supporting the reporting for NNC.

The claims process, according to the document review, is supportive of retailer’s capacity issues, allowing advance payments based on risk assessments and cash flow requirements. The data that is collected is used, according to the document review, to forecast expenditures during the year. Further, northern retailers can access the subsidy through registered southern suppliers who have greater capacity. This allows them to avoid registering with the program as subsidy recipients and having to fulfill the program reporting requirements. The Saskatchewan Indian Institute of Technology and Crawford Canada work together to process claims and verify and validate claim requests. As two key informants explain, the relationship is very positive and effective. To maximize accountability, Crawford Class Action Services send their verification and validation findings to the NNC Program.

Further, the program’s current data collection tools include invoices for content shipped, air shipment waybills for shipments by air and an attestation that the subsidy has been passed down to customers. Currently, the program is collecting in-store point-of-sale data as part of their Revised Northern Food Basket reporting. However, without evidence of retailer mark-up on subsidised goods (i.e., how much retailers are making per item sold), retailer transparency concerns persist. For this problem to be mitigated, the program would need to collect and publish point-of-sale data from retailer transactions with their suppliers, as well as the in-store pricing data that is currently being collected.

Finally, concerns raised throughout the lines of evidence stems from the apparent lack of point of sale data in retailers’ stores and more information on retailer’s pricing procedure. Some key informants wondered whether the subsidy was being fully passed down to consumers, as no data on in-store prices was being collected. They also mentioned that they would like to see the mark-up on the price of the goods, or price tracking for goods (prices from the point a good is purchased from a supplier to the point at which it is sold in a store). It was suggested through key informant interviews that showing the savings at the till would be beneficial, but that retailers would need improved software and Information Technology capacity.
7. Evaluation Findings – Best Practices

7.1 Best Practices

Throughout the evaluation, best practices relating to the procurement and consumption of healthy foods in northern communities were found in literature reviews, case studies, and key informant interviews.

7.1.1 Community Freezers

Community freezers were widely noted in case studies, key informant interviews and the literature review as important to supporting community food harvesting and the integral cultural practice of sharing for communities.84 Some communities have programs with local hunter-trapper organizations that donate food or pay for hunters to provide food to freezers that can be accessed by community members in need. Challenges noted by case studies to keep community freezers running include funding, leadership and administration. Community freezer programs are supported by Nunavut Tunngavik Inc, Nunavik Kativik Government, the Province of Manitoba, and individual community governments.

7.1.2 Community Gardens and Greenhouses

According to case studies, literature review, and advisory committee meetings, community and household gardens have been promoted as a sustainable source of fruits and vegetables. They help food security needs by putting food in people’s backyards and helping reconnect community members with traditional practices.85 They also contribute to social interacting and community sharing.86

A variety of communities in Nunatsiavut, Northern Ontario, Northern Manitoba, and New Brunswick, have undertaken initiatives to support the production of local food. Initiatives included culturally appropriate learning guides, providing gardening tools and gardening workshops, woodland garden harvesting and a salmon restoration project.

Inuvik, Northwest Territories has successfully established a community greenhouse in operation since 1998-1999. According to case studies, challenges in creating gardens in northern regions include poor soil quality, a short growing season, and limited knowledge of gardening. According to case studies and key informant interviews, community engagement and input were integral to the success of both freezer and garden programs.

The Province of Manitoba has partnered with First Nation and Inuit Health Branch, tribal councils, communities, private businesses and non-government organizations to support the Northern Healthy Foods Initiative. The Northern Healthy Foods Initiative supports local food

84 Determinants of Healthy Eating in Aboriginal peoples in Canada, 2005
86 NiKigijavut: Community Food Planning in Nunatsiavut (Presentation Deck),
self-sufficiency activities including gardening and greenhouse initiatives, community food programs, and food business developing. Successful projects include the Cross Lake Chicken Club, Gods Lake Narrows Gardens, and the Revolving Loan Freezer Purchase Program.

7.1.3. **Store Management Leadership**

Literature review sources and case studies found that store management can influence food choices available in the community and healthy eating.

The capacity, practices, and beliefs of store managers with regards to stocking healthy foods in isolated communities contributes to healthy shopping and eating habits.\(^{87}\) One particular store manager in a case study was noted by many respondents as being responsive to community requests and promoting healthy options. The manager was active in promoting food label reading, inviting cooking classes, healthy food sampling, and donating healthy food to community events.

Community members in case studies believed that more could be done by community leaders to improve the price and choices for healthy foods.

7.1.4 **Other Best Practices Related to Food and Nutrition**

Case studies and the literature review found several other programs that were effective in promoting nutrition and food choices in isolated northern communities in Canada:

- School breakfast and lunch programs were found to be effective in addressing food security for youth and promoting healthy food choices;
- Cooking classes, nutrition workshops, and taste tests offered through Health Canada or community programming helped develop cooking skills and promote the consumption of healthy food; and
- Good Food Box or Buy Direct programs support the procurement of fruits and vegetables which has increased healthy eating; and

Harvester Support Programs that assist with the hunting, gathering, and fishing of local country food increase the consumption of nutritious foods, support traditional harvesting practices, and promote a culture of sharing.\(^ {88}\)

---


\(^{88}\) Glacken, J. B. (2008). *Promising practices for food security*
8. Conclusions and Recommendations

8.1 Conclusions

The evaluation was conducted in response to the Treasury Board requirement that the program be evaluated in 2012-2013 in order to assess the transition from Food Mail and to inform AANDC management on: 1) resource utilization; and 2) preliminary results and overall performance.

This evaluation is in compliance with requirements from Treasury Board’s Policy on Evaluation. As per the Policy on Evaluation and supports the following conclusions regarding:

- Relevance;
- Design and Delivery;
- Performance and achievement of expected outcomes; and
- Efficiency and economy

There is a continued need for NNC to increase access to healthy foods, including country foods, for residents of isolated northern communities. The NNC is clearly aligned to Government of Canada’s outcomes of healthy Canadians and with the roles and responsibilities of the federal government in supporting healthy outcomes in the North. Other examples of programming that complement, rather than duplicate, the NNC was found to exist in other provincial/territorial and community jurisdictions.

Overall, the redesign of the program from former Food Mail with NNC’s focus on a market driven model is well-suited to achieving program objectives of making food more accessible. Current program eligibility criteria, which is preventing some communities from participating in the program is resulting in an under-addressed need in those communities. Additionally, more strategic use of Advisory and Oversight Committees and a need for the design to better support the program’s objective of supporting the consumption of country foods is required.

With respect to performance, an increase in the access to nutritious food can be demonstrated clearly through program documents and data shipment data of food. NNC is perceived to be reaching a larger proportion of the at-risk Northern population than Food Mail with emphasis placed on the use of the community retail store. Residents in eligible communities are aware of NNC and how it has replaced Food Mail but there is less understanding of what the program intends to do and how the program and subsidy works. Finally, the extent to which the subsidy is being passed on was identified as not always being clear to consumers, suggesting a greater need for transparency on retailer’s pricing before and after the application of the subsidy.

With respect to efficiency and economy, NNC has improved cost-effectiveness largely through its market-driven model, revised eligible foods list and not through the cost-containment strategy. Some alternatives, such as community-led food initiatives and modifications, such as investments in infrastructural capacity, have the potential to
In conclusion, NNC subsidy program is not and should not be considered the only solution to lower food insecurity and efforts will need to be made outside of NNC for exploring sustainable alternatives for addressing food security in the North.

8.2 Recommendations

It is recommended that AANDC:

1. Review community eligibility criteria to ensure that it reflects NNC program objectives.

2. Review current governance structures in order to:
   a) clarify the purpose, role and responsibilities to ensure for an effective Oversight Committee; and
   b) clarify the purpose, role and responsibilities of Advisory Board, taking into consideration the level of resources required on the part of program management to support those activities.

3. Review current communication strategy in order to better coordinate communication and activities between AANDC and Health Canada.

4. Continue to develop data collection systems and tools in support of ongoing performance measurement, to support the program’s collection of data on longer-term outcomes.

5. Coordinate departmental efforts with provincial and territorial partners to improve the efficiency and effectiveness of the respective food subsidy programs in the North.
Appendix A – NNC Logic Model

**INPUTS**
INAC & HC employees and resources, INAC Subsidy Recipients, HC Contribution Recipients, Claims Processor, Advisory Board, Oversight Committee

**ACTIVITIES**
- Provide, monitor and verify subsidy for eligible foods
- Promote program awareness, outreach and engagement
- Provide culturally appropriate nutrition education

**OUTPUTS**
- Payments to recipients (food suppliers)
- Subsidized food available in eligible communities
- Reports on food prices, allocation of subsidy and detailed shipment information
- Weight and subsidy forecasts
- Program-led risk-based audits
- Program communications and promotional materials (subsidy)
- Consumer/stakeholder surveys
- External Advisory Board meetings
- Retail and community-based workshops, in-store demonstrations, educational materials, media, etc.
- Trained and supported community workers

**IMMEDIATE OUTCOMES**
- Access to subsidized nutritious food in eligible communities
- Residents in eligible communities are informed about the program and subsidy levels
- Residents in eligible communities have knowledge of healthy eating and skills to choose and prepare nutritious foods

**INTERMEDIATE OUTCOME**
- Consumption of nutritious food in eligible communities

**ULTIMATE OUTCOME**
- Healthy Northerners living in eligible communities
Appendix B – Community Profiles

Communities Selected for Case Studies

Iqaluit, Nunavut

Main Website: http://www.city.iqaluit.nu.ca/

Mayor: John Graham
MLA: Hunter Tootoo

Transportation:
- Iqaluit is a designated port of entry to Canada for international air and marine transportation when there is no ice. Located at the crossroads of both polar and high North Atlantic air routes, Iqaluit airport can handle any type of aircraft.
- Nutrition North subsidy rate $2.30 (level 1) and $0.50 (level 2)

Stores:
There are two grocery stores, the Arctic Ventures Store and the Northern Store operated by The North West Company.

2006 Community Well Being Index

- Income Score: 96
- Education Score: 55
- Housing Score: 85
- Labour Force Activity: 89
- Community Well Being Score: 81

Statistical Overview:

<table>
<thead>
<tr>
<th>Overview</th>
<th>Demographics</th>
<th>Education</th>
<th>Labour Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2011</td>
<td>6,699</td>
<td>% of Population over 15 years</td>
<td>76.2%</td>
</tr>
<tr>
<td>Population 2006</td>
<td>6,184</td>
<td>Total Aboriginal over 15 years</td>
<td>2,395</td>
</tr>
</tbody>
</table>

89 http://www.aadnc-aandc.gc.ca/eng/1298473457080/1298473617126
<table>
<thead>
<tr>
<th>Population Density</th>
<th>127.5 people/km²</th>
<th>Average # of Children per family</th>
<th>1.4</th>
<th>College, CEGEP or Non-University Diploma</th>
<th>380</th>
<th>Median Annual Income</th>
<th>$26,773</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Area</td>
<td>52.5 km²</td>
<td>Aboriginal</td>
<td>3,650</td>
<td>University Diploma or Certificate</td>
<td>115</td>
<td>Earnings as % of Income</td>
<td>89.9%</td>
</tr>
<tr>
<td>Median Age</td>
<td>30.1</td>
<td>Non-Aboriginal</td>
<td>2,435</td>
<td>Government Transfers as % of Income</td>
<td></td>
<td></td>
<td>8.3%</td>
</tr>
</tbody>
</table>

Overview statistics from the 2011 Census; Demographics, Education and Labour Force from 2006 census

**Aklavik, Inuvik Region, Northwest Territories**

Main Website: [http://www.aklavik.ca/](http://www.aklavik.ca/)

Mayor: Arnie Steinberg
MLA: David Krutko

**Transportation:**
- The community is served by air, via the Aklavik/Freddie Carmichael Airport and the Aklavik Water Aerodrome is available for float planes
- A winter ice road directly from Inuvik across the streams of the Mackenzie Delta is also an option
- Nutrition North subsidy rate $1.60 (level 1) and $0.05 (level 2)

**Stores:**
There are two general stores, the Northern Store operated by The North West Company and Stanton’s.

**2006 Community Well Being Index**¹⁰
- Income Score: 70
- Education Score: 30
- Housing Score: 75
- Labour Force Activity: 73
- Community Well Being Score: 62

**Statistical Overview:**

<table>
<thead>
<tr>
<th>Overview</th>
<th>Demographics</th>
<th>Education</th>
<th>Labour Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2011</td>
<td>633</td>
<td>% of Population over 15 years</td>
<td>78.5%</td>
</tr>
<tr>
<td>Population 2006</td>
<td>594</td>
<td>Total Aboriginal over 15 years</td>
<td>545</td>
</tr>
<tr>
<td>Population Density</td>
<td>43.7 people/km²</td>
<td>Average # of Children per family</td>
<td>1.6</td>
</tr>
<tr>
<td>Land Area</td>
<td>14.47 km²</td>
<td>Aboriginal</td>
<td>545</td>
</tr>
<tr>
<td>Median Age</td>
<td>31.1</td>
<td>Non-Aboriginal</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>260</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Employment Rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>25.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>55</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Median Annual Income</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>77.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Earnings as % of Income</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Government Transfers as % of Income</td>
</tr>
</tbody>
</table>

Overview statistics from the 2011 Census; Demographics, Education and Labour Force from 2006 census

**Cape Dorset, Nunavut**


**Mayor:** Cary Merritt  
**MLA:** Hunter Tootoo

**Transportation:**
- The community is served by air, via the Cape Dorset Airport, a small airstrip that provides connection beyond Cape Dorset (to Iqaluit Airport)
- Ships travel in the Hudson Strait when there is no ice
- Nutrition North subsidy rate $4.60 (level 1) and $2.80 (level 2)

**Stores:**
There are two general stores, the Arctic Coop and Northern Store operated by The North West Company.

**2006 Community Well Being Index**

• Income Score: 66
• Education Score: 30
• Housing Score: 62
• Labour Force Activity: 75
• Community Well Being Score: 58

Statistical Overview:

<table>
<thead>
<tr>
<th>Overview</th>
<th>Demographics</th>
<th>Education</th>
<th>Labour Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2011</td>
<td>1,363</td>
<td>% of Population over 15 years</td>
<td>66.6%</td>
</tr>
<tr>
<td>Population 2006</td>
<td>1,261</td>
<td>Total Aboriginal over 15 years</td>
<td>720</td>
</tr>
<tr>
<td>Population Density</td>
<td>139.9 people/km²</td>
<td>Average # of Children per family</td>
<td>2.1</td>
</tr>
<tr>
<td>Land Area</td>
<td>9.74 km²</td>
<td>Aboriginal</td>
<td>1,130</td>
</tr>
<tr>
<td>Median Age</td>
<td>23.8</td>
<td>Non-Aboriginal</td>
<td>100</td>
</tr>
</tbody>
</table>

Overview statistics from the 2011 Census; Demographics, Education and Labour Force from 2006 census

Poplar River, Manitoba

Main Website: [http://www.poplarriverfirstnation.ca](http://www.poplarriverfirstnation.ca)

Chief: Guy Douglas
MPP:

Transportation:
• A 2,500 foot gravel airstrip is maintained by the Province of Manitoba and is serviced by scheduled and / or chartered flights.
• Goods and supplies are occasionally barged to the community from Matheson Island.
• There is no permanent access road to Poplar River; however there is an annual winter road that provides access via Pine Dock to the east side of Lake Winnipeg to Bloodvein north to Berens River and to Poplar River.
- Nutrition North subsidy rate $1.30 (level 1) and $0.05 (level 2)

**Stores:**
There is one grocery store, the Northern Store operated by The North West Company.

**2006 Community Well Being Index**
- Income Score: **49**
- Education Score: **15**
- Housing Score: **62**
- Labour Force Activity: **71**
- Community Well Being Score: **49**

**Statistical Overview:**

<table>
<thead>
<tr>
<th>Overview</th>
<th>Demographics</th>
<th>Education</th>
<th>Labour Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2011</td>
<td>848</td>
<td>63.3% No Diploma</td>
<td>325 Employment Rate</td>
</tr>
<tr>
<td>Population 2006</td>
<td>643</td>
<td>385 High School or Equivalent</td>
<td>30 Unemployment Rate</td>
</tr>
<tr>
<td>Population Density</td>
<td>51.1 people/km²</td>
<td>2.0 College, CEGEP or Non-University Diploma</td>
<td>20 Median Annual Income</td>
</tr>
<tr>
<td>Land Area</td>
<td>16.59 km²</td>
<td>630 University Diploma or Certificate</td>
<td>10 Earnings as % of Income</td>
</tr>
<tr>
<td>Median Age</td>
<td>22.1</td>
<td>10 Non-Aboriginal</td>
<td>62.6% Government Transfers as % of Income</td>
</tr>
</tbody>
</table>

*Overview statistics from the 2011 Census; Demographics, Education and Labour Force from 2006 census*

Data based on the Revised Northern Food Basket, Case Study Communities shown.

http://www.nutritionnorthcanada.ca/eng/1369314079798/1369314090524