

# PERFORMANCE MEASUREMENT STRATEGY

## (4.1.2) Nutrition North Canada

*Strategic Outcome (INAC): The North  
Strategic Outcome (Health Canada): First  
Nations and Inuit communities and individuals  
receive health services and benefits that are  
responsive to their needs so as to improve their  
health status.*

Date: January 2016

Sector (INAC): Northern Affairs Organization  
Sector (Health Canada): First Nations and Inuit  
Health

*Performance Measurement (PM) Strategies are required by Treasury Board Secretariat's (TBS) Policy on Transfer Payments (updated 2012) and Policy on Evaluation (updated 2012).*

*PM Strategies support program planning, monitoring and reporting through the identification and collection of key performance indicators that provide information for ongoing program management and decision making and that can inform evaluation activities over time.*



Canada 

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## 1.0 INTRODUCTION

In accordance with the Indigenous and Northern Affairs Canada (INAC) *Performance Measurement Strategy Action Plan*, the following document outlines the new performance measurement strategy for the Nutrition North Canada Program. This replaces the previous performance measurement strategy developed in 2010 and updated in 2014.

As per the 2016-2017 INAC Program Activity Architecture, Nutrition North is identified in as a Sub-Program under *Northern Governance and People*, which contributes to the Department's Strategic Outcome *The North*.

Nutrition North Canada – Nutrition Education Initiatives contributes to the following Health Canada Strategic Outcome “*First Nations and Inuit communities and individuals receive health services and benefits that are responsive to their needs so as to improve their health status*”, and is reflected within the department's Program Activity Architecture, as an activity under the Sub-Sub Program 3.1.1.3 *Healthy Living*, which falls under Sub-Program 3.1.1 *First Nations and Inuit Health Promotion and Disease Prevention*, and Program 3.1 *First Nations and Inuit Primary Health Care*. This information is described in Health Canada's Performance Measurement Framework (PMF) (2016-17), approved in Fall 2015.

## 2.0 PROFILE

The 2016-2017 Performance Measurement Framework of INAC identifies the following expected results for the *Nutrition North* Sub-Program:

*“Residents in eligible communities have access to nutritious, perishable food at a subsidized rate.”*

This Sub-Program is one of three that support the *Northern Governance and People* Program 4.1 with the expected results of:

*“Northerners have greater control over their economic and political affairs”; and,  
“Affordability of perishable, nutritious food in eligible communities is strengthened.”*

The *Northern Governance and People* Program, in turn, supports *The North* Strategic Outcome:

*“Self-reliance, prosperity and well-being for the people and communities in the North.”*

Nutrition North Canada Nutrition Education Initiatives is one of the activities within Health Canada's Sub-Sub Program 3.1.1.3, "*Healthy Living*", which includes in its objective to address the greater risks and lower health outcomes associated with chronic diseases among First Nations and Inuit individuals, families and communities. In addition, the expected results in Health Canada's PMF (2016-17) for 3.1.1.3 is "*First Nations and Inuit have access to healthy living programs and services*" and "*First Nations are engaged in healthy behaviours.*" These expected results align with Health Canada's strategic outcome 3, "*First Nations and Inuit communities and individuals receive health services and benefits that are responsive to their needs so as to improve their health status*".

## 2.1 Description

Many communities across Canada's three territories as well as the northern parts of some provinces are accessible only by air for part of, or all of, the year. The cost of living and doing business in these isolated communities is higher than in more southern regions. Necessities such as perishable food must be flown into these communities. Electricity, maintenance and food storage costs are higher for stores and affect the prices of food on store shelves. The amount spent on food is considerably higher in these communities as a result.

To better understand the multitude of factors leading to the high cost of food in these communities, INAC commissioned a major Study on food retailing in the North. An example from the Study illustrates the \$ difference in operating a store in a northern community serviced by an all-weather road and a northern isolated community:

"For comparative purposes, the La Ronge, SK store, serviced by an all weather road (non-NNC eligible), has inventory costs in the range of \$30,000 per 1,000 sq. ft. of store area. Per 1,000 sq. ft. of store area, Iqaluit's and Baker Lake's, NU costs are about \$146,000 and \$128,000, respectively. **The Gjoa Haven, NU store's costs are in the range of \$277,000 per 1,000 sq. ft., or about 9.3 times that of the La Ronge, SK store.** However, the Gjoa Haven, NU, store is quite small, so calculations on the basis of store square ft. could be subject to other factors. The fact remains that inventory costs per square foot are substantially higher in the North."<sup>1</sup>

These higher prices make it more difficult for Northerners to afford a nutritious diet from store bought foods. Therefore, in order to alleviate the costs of nutritious, perishable foods purchased in isolated communities and to encourage nutritious eating, the Government implemented the Nutrition North Canada program on April 1, 2011. Foods eligible for a subsidy and the tool to measure the price trends in eligible communities of

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<sup>1</sup> 2014. eNRG Research Group *Northern Food Retail Data Collection & Analysis*.  
<http://www.nutritionnorthcanada.gc.ca/eng/1424364469057/1424364505951>

a basket of nutritious foods (the Revised Northern Food Basket<sup>2</sup>) are based on Canada's Food Guide. This program replaces the Food Mail Program which had operated since the late 1960s.

The objective of the Nutrition North Canada Program is to help make perishable, nutritious food more accessible<sup>3</sup> and more affordable<sup>4</sup> than it otherwise would be to residents of eligible<sup>5</sup> isolated northern communities without year-round surface (road, rail or marine) access. It is supported by an Advisory Board, which ensures that Northerners maintain a direct voice in the Program. Eligible northern communities benefit from improved access to healthy food.

Given that there are a number of factors that influence healthy eating patterns other than food cost, Health Canada complements the Nutrition North Canada's retail subsidy by providing funding to support culturally appropriate retail and community-based nutrition education initiatives. These initiatives aim to increase knowledge of healthy eating and develop skills for the selection and preparation of healthy store-bought and traditional or country foods.

## 2.2 Target population(s)

Nutrition North Canada is a program of general application; it targets all Northerners living in eligible isolated communities in Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland and Labrador, Yukon, the Northwest Territories and Nunavut. One hundred and three communities are eligible for the Nutrition North Canada retail subsidy. To be eligible for the Program a community must:

- Lack year-round surface (road, rail or marine) access, and
- Have used Food Mail<sup>6</sup>, the department's previous northern transportation subsidy program.

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<sup>2</sup> **The Revised Northern Food Basket** is the tool that Indigenous and Northern Affairs Canada currently uses to monitor trends in the cost of healthy eating in isolated northern communities eligible for the Nutrition North Canada (NNC) program. The 67 items that makes up this basket is an example of a nutritious diet for a family of four (a man and a woman aged between 31 and 50, and a boy and a girl aged between 9 and 13) for one week, reflecting information from nutrition surveys as well as updated nutrition recommendations in the Dietary Reference Intakes and the Canada's Food Guide.

<sup>3</sup> Improved access is defined as: eligible items being less expensive as a result of the retail subsidy which decreases the cost of items purchased from the retailer or supplier; and, more relevant for family usage as a result of nutritional education activities. Eligible items must be flown into the community as a result of it being isolated.

<sup>4</sup> "More affordable" means at or below the 2010-2011 baseline for the Revised Northern Food Basket, adjusted for the inflation rate for food (Statistics Canada). See p. 19, Performance Measurement Strategy Framework, for details.

<sup>5</sup> To be eligible for the program, a community must:

- Lack year-round surface transportation (i.e. no permanent road, rail or marine access), and
- Have used Food Mail, the department's previous northern transportation subsidy program.

<sup>6</sup> **Need assumption:** if the community did not make use of the program, it did not need the program.

Currently, 84 communities receive the full subsidy amount and an additional 19 receive a nominal subsidy. The majority (90%) of people living in communities serviced by Nutrition North Canada are Aboriginal people. Aboriginal people in the North face considerable social and economic challenges and tend to fare worse on a range of social and economic indicators in comparison with their non-Aboriginal counterparts (e.g., low rates of educational attainment, high rates of overcrowding, low income levels, higher rates of mortality and suicide). Poor conditions are often attributed to the disruption of Aboriginal peoples' traditional economies and the loss of control over traditional lands and resources in areas where there are limited employment opportunities. This population is younger, and growing faster, than Canada's non-Aboriginal population. According to Statistics Canada, the Aboriginal population increased by 232,385 people, or 20.1% between 2006 and 2011, compared with 5.2% for the non-Aboriginal population. These dynamics result in a noticeable median age gap between Aboriginal and non-Aboriginal Canadians: In 2011, the median age of the Aboriginal population was 28 years; 13 years younger than the median of 41 years for the non-Aboriginal population. Inuit were the youngest of the three Aboriginal groups, with a median age of 23.

Going forward, Statistics Canada projected the Aboriginal population "would grow faster than the non-Aboriginal population from 2011 to 2036. The Aboriginal population was estimated at 1,502,000 in 2011. In all scenarios considered, it would reach between 1,965,000 and 2,633,000 people by 2036. This would represent an average annual growth of between 1.1% and 2.3%, higher than the 0.9% for the population as a whole. As a result, Aboriginal people would account for between 4.6% and 6.1% of the Canadian population in 2036, compared with 4.4% in 2011."<sup>7</sup>

The target population for the Health Canada component of the Program is residents of **the First Nations and Inuit** communities that are eligible for the full retail subsidy under the Program. These communities are located in Manitoba, Ontario, Quebec, Newfoundland and Labrador, Yukon, the Northwest Territories and Nunavut (a total of 78 communities in 2015-2016).

### 2.3 Context / Background

Nutrition North Canada replaced the Food Mail Program, which was an airfreight transportation subsidy program operated by Canada Post since the late 1960s. In *Budget 2010*, the Government of Canada announced funding for a new program model to improve access to affordable healthy food for Northerners. The Nutrition North Canada Program was launched on April 1, 2011. *Budget 2014* reaffirmed the importance of the Program, committing to enhanced funding for Nutrition North Canada to improve access to healthy food in the 103 communities it serves and provided a 5% escalator to offset population growth and growing demand for subsidized items in eligible communities.

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<sup>7</sup> Statistics Canada News Release, September 17, 2015.

Nutrition North Canada is a market-driven food subsidy program that seeks to improve access to perishable nutritious food in eligible isolated northern communities. This new program model addresses weaknesses in the former food mail program's operations, including food eligibility, program awareness, transparency and accountability on shipping and food prices, delivery logistics, and the need for a focus on access to culturally appropriate food in the North.

The Program subsidizes retailers located in isolated Northern communities for the high cost of stocking perishable nutritious food in their stores, helping to reduce the price consumers pay and increasing their access to nutritious market foods. People living in 103 isolated Northern communities benefit from this Program.

In addition, Health Canada provides funding to support culturally appropriate retail and community-based nutrition education initiatives. These activities aim to increase knowledge of healthy eating and develop skills in the selection and preparation of healthy store-bought and traditional or country foods. Health Canada released a partial year of funds in 2010-2011, prior to the launch of the Program, to support communities in planning for the full implementation of Nutrition North Canada.

Recent internal audit (2013) and evaluation (2013) recommendations have resulted in a current effort to review and adjust policy related to program eligibility (food and communities) as well as alternatives for how the subsidy could be applied with respect to program sustainability. This work is expected to be completed in 2016-17. Work is also in progress to enhance the existing information database capacity to support various analyses.

## 2.4 Design and delivery

The program service need that Nutrition North Canada addresses is: improved access<sup>8</sup> to nutritious, perishable foods for Northerners in isolated communities. It provides retailers and suppliers registered with the program a subsidy to alleviate the high cost of stocking and supplying eligible items in isolated communities. It also includes activities to encourage nutritious eating, a key component of a healthy lifestyle.

Nutrition North Canada uses a market-based approach in addressing food-costs in the eligible communities. As opposed to the Food Mail Program freight subsidy, Nutrition North Canada uses a retail subsidy<sup>9</sup>. Providing a direct subsidy to retailers and putting the control of the supply chain in their hands<sup>10</sup> gives retailers more control over how to

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<sup>8</sup> See footnote 3 on improved access.

<sup>9</sup> **Retail subsidy** is defined as: transfer payments provided to retailers and suppliers in order to reduce the final cost of a particular product to the consumer. A retail subsidy is applied against the full cost of making a particular eligible product available (*i.e.*, product purchasing cost, transportation, insurance, overhead, *etc.*).

<sup>10</sup> The former Food Mail Program used fixed Canada Post mail entry points.



ship, and what to ship, based on what is being sold in stores; and allows them to realize efficiencies which should translate into food being more affordable than it would otherwise be.

Under Nutrition North Canada, arrangements to ship food to isolated northern 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/distributors: Federally regulated establishments that are registered, inspected and/or licensed by the government and produce food approved-for-export and are located in a community eligible for a subsidy under the program.

Subsidy payments are made to recipients based on the weight of eligible items shipped to eligible communities. 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). By signing the funding agreements with INAC, Nutrition North Canada recipients are responsible for passing on the subsidies to their customers; providing proof of the nature of shipments; providing information on current profit margins and profit margins over time, providing some visibility for the Program; and for providing data on products shipped and pricing. For direct orders, customers in eligible communities who order eligible items will see the subsidy applied against the weight of the items shipped, which reduce up front the selling price.

To assist in processing recipient subsidy claims, INAC has entered into a contract with a third party claims processor who is responsible for receiving, reviewing and processing recipient subsidy claims and supporting documentation, including invoices and waybills. Once the review is completed, the claim processor recommends to Nutrition North Canada Program the eligible amount of subsidy payment to the recipient.

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 currently higher. Eighty-four communities receive the full subsidy amount, while the other 19 are eligible for a nominal subsidy. The Minister of INAC considers multiple factors before a decision is made on setting specific community subsidy rates.



Nutrition North Canada subsidizes perishable, nutritious 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. Country or traditional foods (e.g., arctic char, musk-ox, caribou) must either be commercially-processed in the North and shipped by air to eligible communities (under the country food specific subsidy rate), 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).

Health Canada, through its First Nations and Inuit Health Branch, funds complementary nutrition education initiatives in First Nations and Inuit communities that are eligible for the full retail subsidy in order to support increased knowledge of healthy eating and development of the skills to choose and prepare healthy foods. In addition, Health Canada provides technical advice to INAC in the review of eligible food items, as well as in overall program implementation.

## 2.5 Financial resources

### Indian Affairs and Northern Development

Forecasted Spending for 2015-16 *(based on Main Estimates, 2015)					
Vote 1: Salary and Operations and Maintenance	Vote 10: Grants and Contributions	Vote 5: Capital	Statutory	Employee Benefit Plan	Total Forecasted Spending
\$3,295,329	\$68,498,325	-	-	\$102,422	\$71,896,076
Identify the resources required for implementing performance monitoring: 3 FTEs \$100,000 annually for database maintenance costs					

### Health Canada

Forecasted Spending for 2015-16					
Vote 1: Salary and Operations and Maintenance	Vote 10: Grants and Contributions	Vote 5: Capital	Statutory	Employee Benefit Plan	Total Forecasted Spending*
\$334,937	2,552,043	-	-	\$7,891	\$ 2,894,871
<ul style="list-style-type: none"> <li>Net of PWGSC accommodation costs.</li> </ul>					

The Program's work is supported by:

*Contributions to support access to healthy foods in isolated northern communities (authority # 328).*

*Contributions to support nutrition education initiatives funded under Health Canada's Primary Health Care authorities.*

### **3.0 GOVERNANCE, STAKEHOLDERS AND PARTNERS**

Two federal departments have specific responsibilities in implementing this Program: INAC and Health Canada.

INAC has overall responsibility for the Nutrition North Canada Program, by providing, monitoring and verifying the subsidy for eligible foods and promoting Program awareness, outreach and engagement<sup>11</sup>. Health Canada is responsible for overseeing the implementation, management and reporting of the retail and community-based nutrition education initiatives and providing technical nutrition advice as well as support for overall Program implementation. This includes the administration of transfer payment authorities to achieve the planned results with the resources made available.

An external Advisory Board provides advice to the Minister of Indigenous and Northern Affairs and represents the perspectives and interests of northern residents and communities in relation to the management and effectiveness of the Nutrition North Canada Program. The Advisory Board has up to seven members and one Technical Advisor, selected by the Minister of Indigenous and Northern Affairs in consultation with the Minister of Health. Members are appointed to a renewable three-year term. Board members are chosen based on their overall experience and their ability to expand public awareness. They participate on a voluntary basis.

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 Indigenous and Northern Affairs 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

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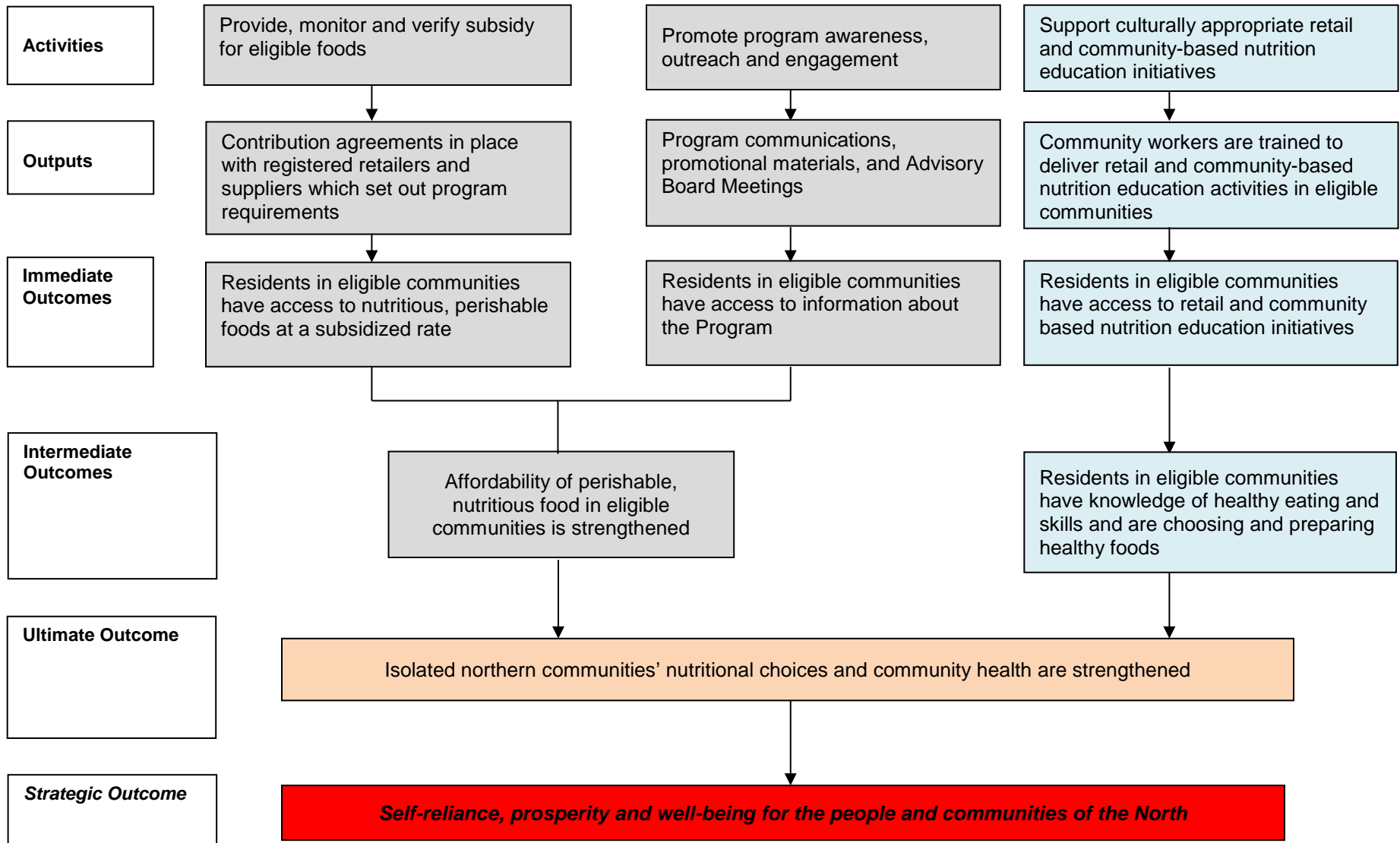
<sup>11</sup> Nutrition North Canada works with the Communications Branch to promote program awareness, outreach and engagement. A joint communications strategy between INAC and Health Canada outlines key responsibilities between each department.

residents or could be improved. The Advisory Board does not have decision-making power.

Key Nutrition North Canada stakeholders include:

- Northern retailers, southern suppliers and country food processors, who are the recipients of the subsidy;
- First Nations or Inuit communities and organizations, or territorial/ provincial governments who enter into contribution agreement with Health Canada to organize and implement nutrition education activities in support of Nutrition North Canada; and
- Northerners living in eligible communities, the ultimate beneficiaries of the Program, who are represented to some extent by the external Advisory Board.

## 4.0 LOGIC MODEL



## 4.1 Logic Model Narrative

The following narrative provides a detailed explanation of each element of the logic model, and is intended to accompany the diagram above. It describes the linkages between the various logic model elements, with particular focus on how individual activities, outputs and immediate outcomes contribute to the achievement of both intermediate and long-term outcomes.

### Inputs

Inputs represent the resources used by the Program to carry out its activities. In addition to the financial resources set out in 2.5, the key inputs to the Nutrition North Canada Program include:

- **INAC and Health Canada Employees:** Coordinate program planning, policy, and management.
- **INAC Subsidy Recipients:** Northern Retailers and Southern Suppliers who have been approved to receive subsidies from the Program.
- **Health Canada Contribution Recipients:** First Nations or Inuit communities or organizations, or territorial/provincial governments that enter into contribution agreements to coordinate and implement nutrition education activities in support of Nutrition North Canada.
- **Claims Processor:** An independent company contracted by INAC to process claims submitted by the Program recipients.
- **Advisory Board:** The Nutrition North Canada Advisory Board collectively represents a wide range of perspectives and interests. The external Advisory Board gives Northerners a direct voice in the Program by providing information and advice to the Minister of Indigenous and Northern Affairs on the management, direction and activities of the Program.

### Activities, Outputs and Immediate Outcomes

The Nutrition North Canada Program is comprised of three key activities. The following describes these activities, the nature of outputs and immediate outcomes and how they are linked to each activity, and the external factors that might influence whether or not the outcomes will be achieved.

#### A. Provide, monitor and verify subsidy for eligible foods (INAC)

Providing subsidies for eligible foods entails a number of actions on the part of INAC employees and resources. These include: processing applications from potential program recipients (northern retailers and southern suppliers); managing recipient funding agreements (including the advance payments and account reconciliations) and

contracting an independent company to process claims submitted by program recipients.

As part of the due diligence required in the management of the Program, INAC personnel monitor and verify the compliance of the recipients and the impact of the Program model on food prices by: collecting and analyzing data on food prices, weight and shipment content; and auditing recipient payments to ensure that funding obligations are being met. Monitoring activities may involve conducting random food price sampling to verify that prices provided by recipients are accurate. As well, data can be used to support funding forecasts, program and policy reviews and adjustments (including adjustments to the subsidy model, the list of eligible food and rates).

**Outputs** resulting from these activities are: contribution agreements in place with registered retailers and suppliers which set out program requirements.

The **immediate outcome** of these activities and outputs is that residents in eligible communities have access to nutritious, perishable food that is shipped by air at a subsidized rate.

#### **B. Promote program awareness, outreach and engagement (INAC)**

INAC employees and resources will engage in activities designed to promote Nutrition North Canada Program awareness, outreach and engagement among residents living in eligible communities, retailers and suppliers. This will entail active marketing of the Program and Subsidy Rates to these stakeholders to increase awareness of Nutrition North Canada. As well, promotion activities will help residents of eligible communities to recognize that funding is made possible by the Government of Canada.

A key component of this activity is the establishment of an external Advisory Board. The Advisory Board provides advice to the Minister of Indigenous and Northern Affairs on various matters in terms of the ways in which the Program is serving the interests of northern residents or could be improved.

**Outputs** linked to these activities are: program communications, promotional materials, and Advisory Board Meetings.

The **immediate outcome** of these activities and outputs is that residents in eligible communities have access to information about the Program.

#### **C. Support culturally appropriate retail and community-based nutrition education initiatives (Health Canada)**

Health Canada resources will support culturally appropriate retail and community based nutrition education initiatives in First Nations or Inuit communities eligible for the full retail subsidy. This will support the participation and training of community workers to

develop culturally appropriate retail and community-based nutrition education activities, such as workshops, in-store demonstrations, and education materials.

**Outputs** linked to these activities are: Community workers are trained to deliver retail and community-based nutrition education activities in eligible communities.

This will help ensure that the **immediate outcome** from Health Canada's activities and outputs is achieved (*i.e.*, Residents in eligible communities have access to retail and community based nutrition education initiatives).

### Intermediate Outcomes

Intermediate outcomes are expected to occur as a result of achieving one or more immediate outcomes. Hence, the combined impact of both the shipment of items from Nutrition North Canada's Subsidized Food List to eligible communities *and* the knowledge of the Program and the Subsidized Food List would help making perishable, nutritious food more affordable to the residents in eligible communities.

The availability of nutrition education provided by trained community workers will help ensure that residents in eligible communities have knowledge of healthy eating and skills and that they are able to choose and prepare healthy foods. An increase in the quantity / availability of fruits and vegetables shipped to communities provides a proxy indicator of the increased demand for these healthy foods, expected from residents increasing their knowledge and skills as a result of nutrition education activities.

### Ultimate Outcome

Progress toward the intermediate outcomes plays a role in the achievement of the broader goal of the Program, or ultimate outcome.

The ultimate outcome is the highest-level outcome that can be reasonably attributed to a program in a causal manner, and is the consequence of one or more intermediate outcomes having been achieved. The ultimate outcome for the Nutrition North Canada Program is: ***Isolated northern communities' nutritional choices and community health are strengthened.***

Quantity of food subsidized (kg) per capita by each food category (*e.g.*, fruits and vegetables, perishable meat and alternatives) is used as the indicator to help measure the achievement of this outcome. This indicator is a proxy measure for consumer demand for subsidized food given the market-based premise of this Program: retailers will only stock items that they are able to sell (allowing for a small spoilage margin); an increase in food shipped indicates an increase in food being sold. An increase in the amount of food subsidized per capita indicates that isolated northern communities' nutritional choices are strengthened. Nutritious food is being made more affordable, thereby making it more accessible to Northerners than it otherwise would have been.



Factoring in population growth by measuring the amount of subsidized food per capita ensures that an increase is not due to this external factor.

Self-reported health is used as one of the indicators to help measure the achievement of this outcome. This indicator is a generally accepted proxy measure of overall health status. As noted by the Organization for Economic Co-operation and Development, despite their subjective nature, indicators of perceived general health have been found to be a good predictor of people's future health care use and mortality.

It is worth noting that many factors, including other determinants of health such as genetics, income and social and physical environments, play an important role in an individual's health status and the overall status of a community or population. While these factors may be beyond the scope of Nutrition North Canada, they may nevertheless have an impact on the achievement of the expected long-term outcome related to community health.

Progress toward achieving this outcome contributes to the INAC strategic outcome "The North – Self-reliance, prosperity and well-being for the people and communities of the North."

## 5.0 RISK ASSESSMENT

Nutrition North Canada faces a number of risks that must be managed in order to achieve expected outcomes. While a process is in place for the management of all of the risks identified, only those risks assessed as significant in terms of impact and likelihood are presented here.

Risk Statement	Risk Rating	Mitigation Strategy
There is a risk that current budget allocation may not be sufficient for future demands on the Program.	HIGH.	<i>Budget 2014</i> provided an ongoing 5% escalator to offset the growth in population and the growth in demand for the subsidized products in the 103 communities.  <i>Mitigation:</i> Closely monitoring Program spending and continuing to work to keep the program on a sustainable path, recognizing that increased

Risk Statement	Risk Rating	Mitigation Strategy
		demand for subsidized food may increase financial pressure but is also a marker of program success. While continuing to engage Northerners through the Advisory Board, conduct larger engagement to solicit stakeholder views on how to expand and update the program to best serve their needs, in the context of sustainability. Engage provincial, territorial and regional partners to co-ordinate complementary programming at other levels of government so that the subsidy has optimal impact.
There is a high risk of increased demand to opt into the Program.	HIGH.	<p>There is demand to add 30-40 other isolated northern communities that were eligible under the Food Mail Program but that did not use the former program, and therefore, are not eligible, or fully eligible for a retail subsidy, as outlined above (Section 2.2). Extending coverage to all these additional 30-40 communities would dilute the Program's impact in currently eligible communities or, if existing subsidy rates were maintained, would incur an additional cost.</p> <p><i>Mitigation:</i> In line with the response to the Auditor General recommendation to review community eligibility criteria to base the criteria</p>

Risk Statement	Risk Rating	Mitigation Strategy
		<p>on need, develop eligibility criteria using isolation factors to reassess program eligibility, not usage of the former program. If it is determined that new communities should be added, there would be a need to adjust subsidy rates for currently eligible communities to accommodate new communities, or to seek new sources of funding.</p>
<p>There is a risk that the Program will continue to be seen by the public and media as the solution to food security.</p>	<p>HIGH.</p>	<p>Nutrition North Canada will continue proactive communication with stakeholders and the general public, including clear statement on the objectives and scope of the Program. Links to provincial and territorial programs that fit or complement the objective and scope of Nutrition North Canada will be posted on the Program's website.</p> <p>Expectations have been generated around the Program and are exacerbated by its identification with the issue of food security in the North, despite the fact that Nutrition North Canada is only one response to the complex issue of the high cost of living, as well as food access and availability in isolated northern communities.</p>

Risk Statement	Risk Rating	Mitigation Strategy
		<p>There are a number of factors beyond the scope of the Program that contribute to the multi-faceted issue of food security, including poverty, unemployment, environmental changes, poor infrastructure and the high cost of living.</p> <p><i>Mitigation:</i> Nutrition North Canada will work in collaboration with the Advisory Board, Aboriginal partners, provincial and territorial governments, and other sectors to help manage the perception of the scope of the Program.</p>
<p>There is a risk that the public will believe the retailers are not passing along the subsidy to the consumers.</p>	<p>HIGH.</p>	<p>There has been some lack of confidence in the public and in northern communities that retailers are passing along the full subsidy to consumers.</p> <p><i>Mitigation:</i> In summer 2014, INAC updated the contract for compliance reviews to ensure that registered retailers and suppliers make available information on current profit margins and profit margins over time in order for the department to verify that the full subsidy is passed on. All compliance reviews now collect this information. By closely monitoring this performance indicator, along with the cost of the Revised Northern Food Basket, this will further</p>

Risk Statement	Risk Rating	Mitigation Strategy
		<p>ensure that the full subsidy is being passed on to consumers.</p> <p>Further to that, on July 27, 2015, it was announced that a point of sale receipt system would become a mandatory program requirement for major retailers effective April 1, 2016. This new transparency measure means savings will be itemized on the sales receipts.</p>

## 6.0 PERFORMANCE MEASUREMENT – DATA COLLECTION

### 6.1 Framework

Nutrition North Canada is a market-driven program model. As such, a key assumption of this model is that retailers and suppliers will only ship items they can sell and make a profit from; any change in the weight of the items shipped (increase/decrease) illustrates the demand of the goods by Northerners. The model also assumes that there is a causal relationship (correlation) between a decrease in price, consumer awareness through nutritional education and an increase in demand; as price decreases and consumers gain knowledge through nutritional educations, consumers buy more, which in turn results in retailers shipping more. Improving access to healthy foods through nutritional education and subsidies to help alleviate the cost of food in isolated communities contributes to strengthening isolated northern communities' nutritional choices and community health.

PERFORMANCE MEASUREMENT STRATEGY FRAMEWORK						
OUTPUTS/ OUTCOMES/ EXPECTED RESULTS	PERFORMANCE INDICATOR	TARGETS AND TIMELINES	BASELINE	DATA SOURCE/ METHODOLOGY	TRACKING & REPORTING	RESPONSIBILITY / OPI
<b>Ultimate Outcome:</b> Isolated northern communities' nutritional choices and community health are strengthened	% of population reporting their health is excellent or very good <sup>12</sup>	At least 45% of adults report that their health is excellent or very good by March 31, 2017	First Nations 44.1% (RHS 2008/10) Inuit 42.2% (APS 2012)	Regional Health Survey (RHS)  Aboriginal Peoples Survey (APS)  Canadian Community Health Survey (CCHS)	RHS: every five years  APS: every five years  CCHS: every two years	First Nations and Inuit Health Branch (FNIHB), Health Canada (HC)- Strategic Policy, Planning and Information Directorate
	Quantity of subsidized foods (kg) per capita by each category <sup>13</sup>	Stable or increasing from the 2011 baseline year	20,458,417 kg (2010-2011)	Nutrition North Canada (NNC) Database	Annually	Indigenous and Northern Affairs Canada – Nutrition North Canada (INAC – NNC)
<b>Intermediate Outcome</b> Residents in eligible communities have knowledge of healthy eating and skills and are choosing and	# of participants by type of activity  % of funding recipients reporting knowledge of healthy eating and skills among	4 or more different types of activities per year by March 31, 2017  6 or more participants per type of activity by	At least 3 different types of activities offered with at least 4 participants per type of activity (Annual reports, 2011-2012).	Annual reporting tool  Evaluation report	Annually	FNIHB, HC- Population Health and Wellness Division

<sup>12</sup> Reports of population health status is a reflection of community health.

<sup>13</sup> This indicator measures community **access** to the variety of perishable, nutritious foods (nutritional choices). The subsidized food categories are: Fruits and vegetables; milk and perishable dairy products; perishable meat and alternatives; bread, cereal and perishable grain products; perishable combination foods; margarine, oil and other fats; and country foods.



PERFORMANCE MEASUREMENT STRATEGY FRAMEWORK						
OUTPUTS/ OUTCOMES/ EXPECTED RESULTS	PERFORMANCE INDICATOR	TARGETS AND TIMELINES	BASELINE	DATA SOURCE/ METHODOLOGY	TRACKING & REPORTING	RESPONSIBILITY / OPI
preparing healthy foods	residents in eligible communities	March 31, 2017  Target for knowledge and skills will be established after first data collection in 2016- 2017	Baseline for knowledge and skills will be established after first data collection			
	Quantity by weight of fruit and vegetables available to eligible communities	Stable or increasing annually by March 31, 2017	6,642,059 kg (2012-2013)	Weight (kg) of eligible food shipped to eligible communities (as proxy)	Annually	FNIHB, HC- Population Health and Wellness Division /INAC – NNC
<b>Intermediate Outcome</b> Affordability of perishable, nutritious food in eligible communities is strengthened	Annual trend of the Revised Northern Food Basket	At or below the annual trend (increase/decrease) for the Consumer Price Index (CPI) basket for food	CPI basket for food	Statistics Canada Consumer Price Index	Annually	INAC – NNC
	Annual average value of the Revised Northern Food Basket <sup>14</sup>	At or below the Program launch baseline (2010-2011)	\$438 (2010-2011)	Nutrition North Canada Database  Revised Northern Food Basket reports		

<sup>14</sup> This set of indicators measures the **affordability** of subsidized foods.

PERFORMANCE MEASUREMENT STRATEGY FRAMEWORK						
OUTPUTS/ OUTCOMES/ EXPECTED RESULTS	PERFORMANCE INDICATOR	TARGETS AND TIMELINES	BASELINE	DATA SOURCE/ METHODOLOGY	TRACKING & REPORTING	RESPONSIBILITY / OPI
<b>Immediate Outcome:</b> Residents in eligible communities have access to nutritious, perishable foods at a subsidized rate	% of annual compliance/ audit reports demonstrating that subsidies have been fully passed onto consumers	100% by March 31, 2017	0% (2010-2011)	Compliance reviews of randomly sampled northern retailers in a given fiscal year including current profit margin and profit margin over time  Nutrition North Canada Database  Nutrition North Canada Database	Annually RPP/DPR	INAC – NNC
	% implementation of the new requirement for major northern retailers to show subsidy saving at the till receipt	100% by March 31, 2017	0% (2010-2011)		Annually RPP/DPR	
	Annual % variation in the quantity of subsidized items <sup>15</sup> shipped by air	3% - 5% by March 31, 2017	2.3% (2010-2011 <sup>16</sup> )		Annually RPP/DPR	

<sup>15</sup> This set of three indicators further measures community **access** to subsidized foods.

<sup>16</sup> For 134 communities eligible under the former Food Mail Program.

PERFORMANCE MEASUREMENT STRATEGY FRAMEWORK						
OUTPUTS/ OUTCOMES/ EXPECTED RESULTS	PERFORMANCE INDICATOR	TARGETS AND TIMELINES	BASELINE	DATA SOURCE/ METHODOLOGY	TRACKING & REPORTING	RESPONSIBILITY / OPI
<b>Immediate Outcome:</b> Residents in eligible communities have access to information about the Program	# of public sessions with the Advisory Board	1 public session annually	0 (2010-2011)	Evidence of public meeting (e.g. agenda) verified annually	Quarterly reporting, DPR	Advisory Board Secretariat
	# of communications activities	Minimum of 5 activities per quarter	3 (2010-2011)	Review of communications and data posting verified quarterly		INAC – Communications
<b>Immediate Outcome:</b> Residents in eligible communities have access to retail and community based nutrition education initiatives	# of communities promoting nutrition education activities  # and types of activities (by target population groups, venues)	100% of funding recipients are promoting and offering nutrition education activities by March 31, 2017  Funding recipients provide activities to 2 or more target populations (e.g., women, seniors, children, youth) in 2 or more venues (e.g., grocery stores, schools, on the land) by March 31, 2017	100% of funding recipients (including 72 communities) promoted and offered nutrition education activities (Annual reports, 2011-2012)	Annual reporting tool	DPR Annually	FNIHB, HC- Population Health and Wellness Division
<b>Output:</b> Contribution agreements in place with	% of eligible claims for subsidies from northern retailers and southern	100% per year	0% (2010-2011)	Database with payment information from northern retailers	Annually	INAC – NNC

PERFORMANCE MEASUREMENT STRATEGY FRAMEWORK						
OUTPUTS/ OUTCOMES/ EXPECTED RESULTS	PERFORMANCE INDICATOR	TARGETS AND TIMELINES	BASELINE	DATA SOURCE/ METHODOLOGY	TRACKING & REPORTING	RESPONSIBILITY / OPI
registered retailers and suppliers which set out program requirements	suppliers that are processed and paid			and southern suppliers and itemized shipment reports verified quarterly		
<b>Output:</b> Promotional materials and website updates	# of promotional materials updates  # of website updates	2 per year  1 per year	2 (2010-2011)  0 (2010-2011)	Review of communications outputs	Quarterly reporting, DPR – Annually	INAC – Communications
<b>Output:</b> Community workers are trained to deliver retail and community based nutrition education activities in eligible communities	% of funding recipients with trained NNC community workers to deliver programming	75% of funding recipients have trained workers to deliver programming by March 31, 2017	58% of funding recipients had trained workers to deliver programming (Annual reports, 2011-2012)	Annual reporting	Annually	FNIHB, HC- Population Health and Wellness Division

## 6.2 Methodology note

### Database with recipient claims and itemized shipment reports

There are two key types of information INAC collects from the recipients on a consistent basis as per the terms of the contribution agreements: detailed data on shipments and food pricing data.

Under Nutrition North Canada, recipients are required to provide details on the shipments. For example, they are required to itemize the content of the shipments based on pre-determined categories (*e.g.*, milk, bread, fruits, vegetables, etc.) in order to better evaluate the success of the Program in making perishable, nutritious food more accessible and affordable than it otherwise would be to residents of isolated northern communities without year-round surface (road, rail or marine) access. Information collected through the database also helps the Program make decisions regarding subsidy rate adjustments and food eligibility decisions.

While it is clear who the consignee is in the case of northern retailers' shipments (*i.e.*, themselves), southern retailers/wholesalers and other suppliers are required to provide this information (*i.e.*, who they ship to: individual, social institution, retailer or establishment) when they report to INAC. This information is useful for INAC to understand Program users and make adjustments when necessary.

Under the terms of the contribution agreements for the Nutrition North Canada Program, northern retailers are required to submit the price of items in the northern food basket for stores in all communities on a monthly basis. This allows INAC to evaluate the impact of the subsidy on food prices, monitor trends, and annually evaluate subsidy rate adjustments for communities as required.

Data collected can be sorted according to the following categories:

- **Reporting period:** including monthly, quarterly and yearly information
- **Recipients:** including recipient type and name, differentiating between northern retailers and southern suppliers
- **Communities:** including province, region, community names, and eligibility (*e.g.*, full or partial subsidy)
- **Client types:** including establishments, social organizations, retailers and individuals
- **Subsidy rates:** differentiating between high (level 1), low (level 2) and country food

- **Reporting Category:** the broad categorical information identifying the type of products that are subsidized (e.g., bread and bread products, meat poultry and fish, eggs and egg substitutes, etc.)
- **Product information:** more detailed or granular product information (e.g., croissants and garlic bread, bacon, fresh and frozen poultry)
- **Subsidy Value:** This measure is used to calculate the dollar value of subsidies that are paid to recipients.
- **Subsidy Weight:** This measure is used to calculate the total kilograms of eligible products that are shipped to recipients.

Measures can be cross tabulated on any or all of the categories above to provide quantitative and descriptive information to inform performance indicators. For example, cross tabulating the recipient data (differentiating between southern suppliers and northern retailers) for a given reporting period (fiscal year) while focusing on measuring subsidy values can inform the indicator addressing the amount of eligible claims from recipients that are processed.

The shipping weight information that is collected is used to determine the amount of subsidized food that is available in communities, which is identified as an immediate outcome.

#### Annual Percentage variation in the quantity of subsidized items shipped by air

The Annual percentage variation in the quantity of subsidized items shipped by air is the indicator for the Immediate Outcome – “Residents in eligible communities have access to nutritious, perishable foods that are shipped by air at a subsidized rate.” The indicator is based on the assumption that retailers and suppliers will only ship items they can sell and make a profit from; any change in the weight of the items shipped based in kilograms will illustrate the demand of the goods by Northerners. This assumption illustrates the relationship between a decrease in price and an increase in demand. As price decreases, consumers demand more which results in retailers shipping more.

The percentage will provide an indication of behavioral change over time and is calculated by using the total weight shipped by air during the fiscal year compared to the total weight shipped by air in the previous year, in eligible communities. The subsidized items are categorized according to the following categories: Fruits and vegetables including unsweetened juice, milk and perishable dairy products, perishable meat and alternatives, bread, cereal and perishable grain products, perishable combination foods, margarine, oil and other fats, and others, including country food.

### Average Annual Revised Northern Food Basket price trend

The Intermediate Outcome “Affordability of perishable, nutritious food in eligible communities is strengthened” is measured by two complementary Performance Indicators:

- a) The average annual Revised Northern Food Basket price trend. The performance target is at or below the annual trend for the Consumer Price Index (CPI) basket for food based on the 2011 baseline year.
- b) The average annual value of the Revised Northern Food Basket. The performance target is at or below the 2010-2011 baseline of \$438, before the launch of Nutrition North Canada Program.

The Revised Northern Food Basket and the Consumer Price Index basket for food are the two main data sources for this indicator. Each basket uses representative products under each key food category (i.e. milk and dairy, fruits and vegetables). Comparison of the annual trend of the two baskets for food indicates objectively the effect of the Nutrition North Canada subsidy on price in eligible isolated communities. This indicator is closely linked to the Program objective to help make perishable, nutritious food more accessible and affordable than it otherwise would be to residents of eligible isolated northern communities without year-round surface access. It allows INAC to evaluate the impact of the subsidy on food prices, monitor trends, and evaluate subsidy rate adjustments for communities as required.

### Compliance/ Audit Reports

To ensure that the full subsidy is passed on to the consumer, retailer compliance with contribution agreements is a critical indicator for the Immediate Outcome “Residents in eligible communities have access to nutritious, perishable foods that are shipped by air at a subsidized rate”. The selection of recipients for compliance review is based on perceived risk and geographical location. Risk levels for compliance review purposes are based on the current experience with recipients regarding the claiming and reporting process; for example, difficulties encountered by the claims processor, on information brought to the Program's attention by interested parties, and on materiality.

Compliance reviews are intended to verify that the retailer/supplier is following the terms and conditions set out in the Contribution Agreement, including terms in the Nutrition North Canada Recipient's Manual. Auditors verify whether retailers and suppliers are passing on the value of the subsidy to customers (i.e., that selling prices are reduced by the amount of the subsidy). Successful compliance reviews will indicate that the subsidy savings provided by Nutrition North Canada have been passed on to consumers.

The Immediate Outcome performance indicator on recipients' compliance includes the collection of profit margin information as well as profit margins over time as a means to determine if the full subsidy is being passed on to the consumer. In summer 2014, INAC updated the contract for compliance reviews to ensure that registered retailers and



suppliers make available information on current profit margins and profit margins over time in order for the department to verify that the full subsidy is passed on. All compliance reviews now collect this information. This performance indicator, along with the Intermediate Outcome indicator on the cost of the Revised Northern Food Basket, will inform the Program management on annual basis to assess if the full subsidy is being passed on to consumers.

Further contribution agreements incorporate an analysis of retailers' profit margins. Compliance reviews will report on whether, based on analysis of the application of the subsidy and the resulting calculations of profit margins of eligible items, the full subsidy is passed on to consumers.

The Department will monitor the work of the compliance reviewer to ensure that requirements in the Statement of Work are met. This may include reviewing the compliance reviewer's working papers.

In cases where compliance reviews make recommendations to retailers, the Department will monitor their implementation.

### Health Canada

Nutrition North Canada is a component of the sub-sub category 3.1.1.3 Healthy Living in Health Canada's PMF (2016-17). Related to the performance measurement of Nutrition North Canada, Health Canada is responsible for the intermediate outcome "residents in eligible communities have knowledge of healthy eating and skills and are choosing and preparing healthy foods." This will be measured by both the number of participants by type of activity, the percent of funding recipients reporting knowledge of healthy eating and skills among residents in eligible communities, and the quantity by weight of fruit and vegetables available to eligible communities.

Health Canada maintains the sole responsibility for tracking the number of participants by type of activity, and the percent of funding recipients reporting knowledge of healthy eating and skills. The data required to monitor the quantity by weight of fruit and vegetables will be extracted from the INAC database described above. Although the information required for the indicator is collected by INAC, Health Canada is responsible for analyzing and presenting the data associated with this indicator.

## **6.3 Implementation notes**

Nutrition North Canada will continue to review its performance measures in line with the annual review of the Performance Measurement Framework. For data being collected through evaluation processes, the Program will work with the evaluators in developing appropriate measures and tools for collection.

Relevant information and data will continue to be collected on an ongoing basis from third parties receiving G&C funding from the Program.

Health Canada will be responsible for ensuring their outcomes and data collection instruments continue to be relevant and are collected as indicated in the matrix.

## 7.0 EVALUATION STRATEGY

An Implementation Evaluation of the Nutrition North Canada Program covering a period from the program's launch in 2010/11 to October 2012 was conducted by INAC's EPMRB and approved by the Deputy Minister on September, 2013. The evaluation examined issues of relevance and performance, as per the *Treasury Board Policy on Evaluation*. The evaluation also assessed the implementation of the program while examining design and delivery.

A horizontal evaluation will be conducted by INAC and Health Canada at a time specified in the department's Five Year Plan for Evaluation and Performance Measurement, ensuring compliance with the *Treasury Board Policy on Evaluation*. As an ongoing program of grants and contributions, the program is also subject to Section 42.1 of the *Federal Accountability Act*. As a result, the relevance and effectiveness of the program will be evaluated within five years of the previous evaluation, namely by fiscal year 2017-2018.

INAC will lead the evaluation and chair the Evaluation Working Group. Health Canada's Program Evaluation Division will participate in evaluation planning, execution, and review. The evaluation will make use of data collected by the program in support of its Performance Measurement Strategy to evaluate its performance against expected outcomes.

The cost of the evaluation is estimated at \$130,000 with INAC contributing \$100,000 and Health Canada contributing \$30,000. Early engagement and planning between the departments will ensure rigorous and cost-effective evaluation approach and design.

## 8.0 CONTACTS

*Last updated: August 21, 2015*

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## 9.0 REFERENCES

2016-2017 Program Alignment Architecture

2016-2017 Performance Measurement Framework

2015-2016 Performance Measurement Framework

2014-2015 Performance Measurement Framework

2012-2013 Implementation Evaluation of the Nutrition North Canada Program

