



Understanding Charity Rating Systems

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Thank you for your interest in Mercy Ships Canada. The reports, available on our [Mercy Ships Canada website](#), provide an annual summary of our stewardship and program efforts.

Public sources such as the [Canada Revenue Agency](#), [Charity Intelligence Canada](#), [Smart Giving](#) and [Charity Data](#) offer useful perspectives on the sector and on evaluating financial stewardship. Each uses its own approach, with different strengths and limitations.

Approaches to assessing and ranking charities

Charity Intelligence (CI) Canada compares Canadian charities across several criteria. Other organizations, such as [Circle Acts](#), focus on identifying high-impact philanthropy. These comparative approaches can lead to different insights. For example, Mercy Ships Canada was recognized as one of Canada's most high-impact charities in 2020 by [Circle Acts](#).

Ethical considerations in evaluating global surgery

In global surgery, responsible evaluation includes factors that some frameworks under-weight:

- **Justice & equity.** Surgical care is often unavailable to rural, poor, or marginalized communities. Unless access gaps are addressed, interventions risk reinforcing inequities.
- **Capacity building.** Training local providers may yield lower short-term "return on investment," but it creates sustainable systems and reduces dependency.
- **Patient autonomy.** Informed consent and culturally appropriate care are essential.
- **Sustainability.** Short-term missions that bypass local systems can appear efficient yet undermine long-term progress. Ethical practice strengthens local capacity rather than replacing it.

Overall assessment of CI's suitability for global surgery

CI's framework offers one perspective, but it can miss deeper dimensions, equity, capacity building, ethics, and sustainability, that determine whether surgical programs truly change lives. It tends to highlight short-term, easily measured outputs and may not fully account for

long-term investments such as training local surgeons, system strengthening, or ensuring respectful, culturally appropriate care. As a result, donors may receive only a partial picture.

A more comprehensive framework values both measurable outcomes and long-term, justice-oriented investments that enable lasting change.

Key limitations of CI's framework for global surgery

Systemic change undervalued. Investments in training and infrastructure create durable impact but may score poorly when outcomes are not immediate.

- **Equity & justice under-recognized.** Disparities by gender, geography, or income central concerns in global health may be overlooked.
- **Incomplete scope.** CI assesses Canadian charities; many effective international actors in global surgery are outside its lens, limiting donor context.
- **Bias against capital-intensive care.** Surgery requires operating rooms, anesthesia, and equipment costly inputs compared to low-cost interventions but essential for functioning systems.
- **Ethics not integrated.** Informed consent, post-operative follow-up, and respectful local partnerships are critical to responsible surgical care yet are not central to the framework.

Charity Intelligence and Mercy Ships Canada: context

Mercy Ships operates ship-based hospitals that serve multiple purposes simultaneously: providing surgical care, building local medical capacity, and contributing to health-system development. Because the same facilities and volunteer crews support all objectives at once, expenses are not disaggregated into narrow program categories. CI's preference for granular allocation can disadvantage models like ours.

Volunteer value. In 2025, more than 100 Canadian professionals are expected to serve with Mercy Ships International. Mercy Ships Canada covers travel and related costs, which appear in our financial statements, but the substantial value of donated professional time is not recognized as revenue affecting certain ratios.

Administrative costs in context. Overhead includes governance and financial controls that donors rightly expect. When contributed services are not counted as revenue, administrative ratios can appear higher than they would otherwise.

Mercy Ships Canada's financial statements are audited annually by KPMG and comply with Canadian law and accounting standards. We respect that CI offers one lens; it does not fully reflect our volunteer-driven model and multi-dimensional impact.

Perspectives on sector expenses

Management thinkers and sector leaders caution against over-reliance on single ratios. As Jim Collins noted in *Good to Great* and *the Social Sectors*, “money is only an input.” Charity law expert **Mark Blumberg** entitled "[How Much Should a Canadian Registered Charity Spend on Administration](#)" argues that focusing on administrative-cost percentages alone can mislead. **Susan Fish** similarly highlights measuring **impact** in program results in her 2016 article "[Measuring Impact Not Administration: A Primer on Charity Overhead](#).", not merely administration. **Bruce MacDonald**, President & CEO of [Imagine Canada](#), recently wrote that rating lists may provide incomplete, de-contextualized pictures of charitable work in his article, '[Tis the Rating Season](#)'.

Transparency in reporting results

Mercy Ships Canada holds [Imagine Canada](#), **accreditation**, demonstrating excellence in: board governance, financial accountability and transparency, fundraising, staff management, and volunteer involvement. Our **Financial Statements** and **Annual Reports** are available at: <https://mercyships.ca/en/impact-stories/annual-reports>.

We are committed to transparent reporting on how donor funds are used and the impact they enable. We are grateful to Canadian medical and non-medical volunteers whose service is central to our collective impact, even when not fully captured by comparative rating methods. We welcome dialogue with donors, volunteers, partners, and evaluators to keep improving our stewardship and communication.

Respectfully,

Darryl Anderson

Executive Director, Mercy Ships Canada