



Western Economic
Diversification Canada

Diversification de l'économie
de l'Ouest Canada

Five-Year Evaluation Plan 2012-2017

WESTERN ECONOMIC DIVERSIFICATION CANADA

Evaluation Branch

March 2012

Table of Contents

1.0	INTRODUCTION	1
2.0	EVALUATION IN THE GOVERNMENT OF CANADA	1
3.0	PLANNING CONTEXT	1
3.1	Objective and Scope of the Planning Process	1
3.2	Environmental Scan	2
3.3	Linking the Plan to Government, Central Agency, and Department Priorities	3
4.0	PREVIOUS EVALUATION	3
5.0	OVERALL APPROACH	3
6.0	THE FIVE-YEAR EVALUATION PLAN	4

1.0 INTRODUCTION

The current Treasury Board Policy on Evaluation requires deputy heads of small departments and agencies to have coverage of all ongoing grants and contributions over a five year period.

Western Economic Diversification Canada's (WD) Evaluation Branch has developed the five year plan to fulfil the evaluation coverage requirements of the Policy. This five-year evaluation plan covers the fiscal years 2012-13 to 2016-17.

The evaluation projects and engagements included in the five-year plan were based on a combination of consultations, analysis and prioritization process as described below.

2.0 EVALUATION IN THE GOVERNMENT OF CANADA

In the Government of Canada, evaluation is the systematic collection and analysis of evidence on the outcomes of programs. This evidence is used to make judgments about the programs' relevance, performance and alternative ways to deliver them or to achieve the same results.

Evaluation provides Canadians, Parliamentarians, Ministers, central agencies and Deputy Heads an evidence-based, neutral assessment of the value for money (i.e., relevance and performance) of federal programs.

The main purposes of evaluation are to:

- Support accountability to Parliament and Canadians by helping the government to credibly report on the results achieved with resources invested in programs;
- Inform government decisions on resource allocation and reallocation;
- Support Deputy Heads in managing for results by informing them about whether their programs are producing the outcomes that they were designed to produce, at an affordable cost; and
- Support policy and program improvements by helping to identify lessons learned and best practices.

3.0 PLANNING CONTEXT

3.1 Objective and Scope of the Planning Process

The planning process is intended to produce a five-year evaluation plan for approval by Deputy Minister.

The five-year evaluation plan was designed to achieve evaluation coverage of all ongoing grants and contributions programs, and direct non-grants and contributions program spending as appropriate to the department, in accordance with Treasury Board policy. For the period of 2012-17, the department currently does not have any major statutory spending, any specific evaluations requested by the Secretary of the Treasury Board, or WD-related evaluations outlined in the Government of Canada evaluation plan. If that circumstance changes during the life of the plan, the plan will be amended accordingly. The plan is reviewed and updated annually or when a significant change in mandate of programming has occurred.

The evaluation plan was developed taking into account the broader government context within which WD is functioning and some important factors that are impacting on the work of the Evaluation Branch. The following sections describe the context and a brief methodology used to develop the five-year evaluation plan.

3.2 Environmental Scan

Overall Government Priorities and Drivers

Through the *Federal Accountability Act* and Action Plan in April 2006, the Government of Canada enhanced its commitment to responsible spending and accountability by introducing a new focus on value for money and broadening the scope of evaluation beyond grant and contribution programs. The *Financial Administration Act* now requires that all grant and contribution programs be evaluated over a five-year life cycle.

The Government of Canada's Expenditure Management System (EMS) requires clarity on expected results, sound logic models, feasible performance frameworks and periodic evaluations to inform program decision-making. The EMS focuses on results and value for money for all spending.

The Government of Canada's Policy on Management, Resources and Results Structures (MRRS) sets out the requirement for departments to have performance measurement information on which allocation and reallocations decisions can be based. This performance measurement framework should include integrated financial and non-financial information. The development and application of performance measures has long been an integral part of the program evaluation function in government. Evaluation units have traditionally used measures of program performance to assess the impact and effectiveness of various government programs.

Central Agency Priorities and Drivers

The Treasury Board Policy on Evaluation requires deputy heads of small departments and agencies to evaluate all ongoing programs of grants and contributions every five years, as required by section 42.1 of the *Financial Administration Act*, and evaluate direct program spending, excluding grants and contributions, as appropriate to the needs of the department.

This evaluation plan addresses all those requirements.

Departmental Priorities and Drivers

WD's basis for reporting to Parliament is its Program Activity Architecture (PAA). The PAA seeks to describe how the department manages the resources under its control to achieve intended results/outcomes. The most recent PAA state WD's strategic outcome as:

- **The western Canadian economy is developed and diversified.**

The following five program activities contribute to the achievement of this strategic outcome:

- **Business Development** – Strong SMEs in western Canada with improved capacity to remain competitive in the global marketplace.
- **Innovation** – A stronger knowledge-based economy.

- **Community Economic Development** – Communities have increased economic opportunities and capacity to respond to challenges, as well as the necessary investments in public infrastructure.
- **Policy, Advocacy and Coordination** – Policies and programs that strengthen the western Canadian economy.
- **Internal Services** – Effective and efficient support for the delivery of the organizational strategic outcome.

WD has identified three program priorities for 2012-13: Technology Commercialization; Trade & Investment; and Business Productivity and Growth. WD has also committed to three management priorities: Advancing the Interests of Western Canada, Performance Measurement, and Managing in a Challenging Environment.

3.3 Linking the Plan to Government, Central Agency, and Department Priorities

This evaluation plan is directly linked to current departmental priorities, the PAA, MRRS, and is designed to achieve coverage of ongoing grants and contributions over the next five years as specified in the Treasury Board evaluation policy. The plan outlines targets and timeframes for each project evaluation. Evaluation engagements included in this plan will provide objective, timely and relevant information around program spending in support of WD's strategic outcome.

4.0 OVERALL APPROACH

In order to develop this plan, the Evaluation Branch took the following into account:

- Resources dedicated to evaluation projects and engagements each fiscal year;
- A review of departmental PAA, RPP, DPR, and Business Plans;
- A review of Government of Canada priorities, including any government wide evaluation priorities;
- Consultation with program managers to determine their evaluation and consultation needs;
- A review of previous year's evaluation plans to see if there was incomplete work that needed to be addressed in the five-year plan;
- A review of planned transfer payment authority renewals and their associated evaluation commitments;
- A review of other departments' evaluation plans for programs delivered by WD on behalf of other federal departments; and
- Review of recent audit reports and findings.

4.0 PREVIOUS EVALUATIONS

Previous evaluations conducted within the past 3 fiscal years include:

- Evaluation of the centenaries program in 2009 – 2010
- Evaluation of the Urban Development Agreements in 2009 – 2010
- Evaluation of the Mountain Pine Beetle Program in 2010 – 2011
- Evaluation of the Entrepreneurs with Disabilities Program in 2010 – 2011

- Evaluation of the Innovation Activity in 2011 – 2012
- Evaluation of the Western Economic Partnership Agreement in 2011 – 2012

5.0 THE FIVE-YEAR EVALUATION PLAN

Based on the overall approach, a list of planned evaluations over the next five years was developed for inclusion in this plan (Table 1). The evaluation plan is clearly linked to current departmental priorities and the PAA (Table 2), practical to implement, and should provide useful information to WD senior and program managers.

The last evaluation of the departmental Western Diversification Program authority was conducted in 2008. The proposed evaluation plan covers all of the components of the Western Diversification Program authority within a five-year period. This plan breaks down the broad Western Diversification Program into four separate evaluations: Trade and Investment; Technology Commercialization; Business Productivity and Growth; and Policy Advocacy and Coordination. The first three will evaluate the department against its three priority areas. The fourth evaluation will cover off a specific responsibility that stems from WD's legislation. This approach will ensure that there is no duplication of effort among evaluations, that all major priority areas and spending are covered off by a separate evaluation, and that evaluations clearly link to key departmental planning and reporting documents – all of which are aligned against priorities and program activities.

All evaluations in this five-year plan will address value for money by including clear conclusions about the relevance and performance (effectiveness, efficiency and economy) of departmental activities. The evaluations will assess the core issues identified below. The department may choose to address additional issues in each evaluation.

- Issue #1: Continued and demonstrable need.
- Issue #2: Alignment with Government priorities.
- Issue #3: Alignment with Federal roles and responsibilities.
- Issue #4: Achievement of expected outcomes.
- Issue #5: Demonstration of efficiency and economy.

Subject to the requirement to address all core issues, the department has the flexibility to determine the evaluation approach and level of evaluation effort in accordance with the program's risks and characteristics, and the quality of performance information available for each individual program.

Table 1: Evaluation Projects for 2012-2017

PROJECT NAME	PROJECT DESCRIPTION / BACKGROUND	RESOURCES 2012-2017		YEAR					COMMENTS
		FTEs	\$K	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	
Evaluation of Business Productivity and Growth	Impact evaluation focused on relevance, and performance (efficiency, effectiveness, and economy).					X			PAA sub- activities included as part of Women's Enterprise Initiative evaluation in 2012-2013, and the Community Futures evaluation in 2013-2014.
Evaluation of Trade and Investments	Impact evaluation focused on relevance, and performance (efficiency, effectiveness, and economy).	0.80		X					PAA sub-activities included in the evaluation of Western Economic Partnership Agreements in 2012.
Evaluation of Technology Commercialization	Impact evaluation focused on relevance and performance (efficiency, effectiveness, and economy).							X	PAA sub-activities included in Innovation evaluation in 2012.
Evaluation of Policy, Advocacy and Coordination Functions	Impact evaluation focused on relevance and performance (efficiency, effectiveness, and economy).						X		Last evaluated in 2009
Evaluation of the Community Futures Program	Impact evaluation focused on relevance and performance (efficiency, effectiveness, and economy).				X				Last evaluated in 2008
Evaluation of the Women's Enterprise Initiative	Impact evaluation focused on relevance and performance (efficiency, effectiveness, and economy).	0.80		X					Impact assessment in 2008. Commitment to an evaluation in 2012-13.

PROJECT NAME	PROJECT DESCRIPTION / BACKGROUND	RESOURCES 2012-2017		YEAR					COMMENTS	
		FTEs	\$K	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017		
PROGRAMS AND INITIATIVES LED BY OTHER DEPARTMENTS										
Evaluation of the Building Canada Fund – Communities Component (BCF-CC)	Impact evaluation focused on relevance and performance (efficiency, effectiveness, and economy).				X					WD to support this evaluation led by Infrastructure Canada.
Evaluation of the Municipal Rural Infrastructure Fund (MRIF)	Impact evaluation focused on relevance and performance (efficiency, effectiveness, and economy).				X					WD to support this evaluation led by Infrastructure Canada.
Evaluation of the Canada Business Network	Impact evaluation focused on relevance and performance (efficiency, effectiveness, and economy).				X					WD to support this evaluation led by Industry Canada.
Rick Hansen Foundation Initiative	Mid-term and impact evaluation led by the Foundation under Health Canada grant					X				WD to rely on the results of the evaluations to assess relevance and performance
OTHER ACTIVITIES AND ENGAGEMENTS										
Consultations: - MRRS implementation - RPP/DPR - any new programs or policies or any renewals - any new TB submissions	Consultations services to other Departmental Units.	0.40		X	X	X	X	X		As per our mandate. Use of branch resources.

Table 2: Linkage of Evaluation Plan to Departmental Priorities and Program Activity Architecture

	PAA Sub-Activity	Date of last evaluation	2012-13	2013-14	2014-15	2015-16	2016-17	Business Development	Innovation	Community Economic Development	Policy, Advocacy & Coordination
Evaluation of Business Productivity and Growth	Improve Business Productivity, and Industry Collaboration	2008 (Western Diversification Program Evaluation)			x			x			
Evaluation of Trade and Investments	Markets and Trade Development, and Foreign Direct Investments	2008 (Western Diversification Program Evaluation)	x					x			
Evaluation of Technology Commercialization	Technology Adoption and Commercialization, Technology Linkages, and Technology Research and Development , Community Innovation, Technology Skills Development, and Knowledge Infrastructure	2008 (Western Diversification Program Evaluation)					x		x		
Evaluation of Policy, Advocacy and Coordination Functions	Policy, Advocacy and Coordination	2009				x					x
Evaluation of the Community Futures Program	Community Futures Program	2008		x				x		x	
Evaluation of the Women's Enterprise Initiative	Women's Enterprise Initiative	2008 (Impact Assessment)	x					x			