Mid-term Evaluation Study of Industry Canada's SDS II Sustainable Development Strategy 2000-03

Management Response
December 2003

Background:

Industry Canada commissioned KPMG Consulting to undertake a Mid-term Evaluation study of its second Sustainable Development Strategy, 2000-03. The approach to this study consisted of a document review, a review of the departmental monitoring and reporting data base, and interviews with 37 management and professional staff members of Industry Canada and five departmental clients and industry representatives.

The report provides a review of the results achieved to date by the Department through the implementation of SDS II, what aspects have changed since SDS I, and the lessons learned from SDS II. This evaluation also identifies implementation questions that need to be addressed for the next phase of sustainable development initiatives by Industry Canada.

Evaluation Questions

The specific focus of the mid-term evaluation was on the following key research questions:

1. How relevant are the SDS II objectives and priorities to Industry Canada and to Industry Canada's stakeholders' needs?
2. Is SDS II consistent with the Department's mandate? How do the SDS II action items relate to Industry Canada's strategic objectives?
3. What is the relevance of Industry Canada's SDS II initiatives for the government-wide sustainable development objectives?
4. How successful has SDS II been in achieving its objectives (including productivity through eco-efficiency, environmental technologies, and decision-making objectives)?
5. Have the intended near-term sustainable development impacts of SDS II been achieved? What were the unintended impacts from SDS II, if any?
6. To what extent has SDS II achieved sustainable development results relating to the Department's strategic objectives (i.e. innovation, connectedness, marketplace, investment and trade)?
7. What are the lessons learned, based on factors that might have facilitated and/or impeded the implementation of SDS II that could be useful to SDS III?

Recommendations:

1) Making progress — *Industry Canada should consolidate the various action items that emerge for SDS III into no more than 10 key outcome areas that are associated with the objectives of the strategy. Implementation and reporting on results should be structured around these key outcome areas. While SDS II had nine key outcome areas, the implementation and reporting structure of the strategy was focused on the 58 action items, and not around the nine key outcome areas.*

<u>**Management Response**</u>: Agree

IC's third Sustainable Development Strategy, 2003-06, has three strategic outcomes: innovation towards sustainable development, corporate and community sustainability; and sustainable development capacity building within IC. The strategy's 32 action items are structured around these strategic outcomes.

2) Evaluation Framework —*An SDS III evaluation framework study, consistent with TBS guidelines, should be undertaken concurrently with the planning process for developing the next strategy. This will contribute to addressing the issue of appropriate indicators for near-term and long-term analysis of results.*

Management Response: Agree

IC will refine the SDS III evaluation framework study in FY 2003-2004 to provide a practical approach for the SDS III mid-term evaluation (FY 2005-2006) and the cumulative evaluation to be conducted in FY 2006-2007. The refined SDS III evaluation framework will be consistent with TBS guidelines, and conducted concurrently with the implementation of SDS III.

3) Decision making — *Integration of sustainable development in the decision-making process remains an important priority for Industry Canada in order to maintain a high profile and a focus on this endeavor. SDS III should retain decision making as one of its strategic objectives.*

Management Response: Agree

IC has retained the decision-making focus but has renamed it as "SD Capacity Building within IC". It is also now a strategic outcome with six associated action items. This change better reflects the nature and scope of the action items, which focus on all elements of IC's SD management system (planning, implementation, performance measurement/evaluation and reporting).

4) Scope and flexibility of the strategy —*While flexibility was demonstrated in the implementation of SDS II, in that it was possible to add new action items to the original 57 (e.g. the "take-back" initiative for recycling computers and telecommunications equipment was added as a new action item), the Department should review the plan on an annual basis and adjust actions and deliverables as required, to meet key outcomes and objectives of the strategy.*

Management Response: Agree

While the strategy is a three-year publication, it is in essence "ever-green" because IC's new SD monitoring and reporting system has the flexibility to add new action items or change existing ones, as required. The new monitoring and reporting system will also allow individual responsibility centres to change specific activities/deliverables associated with an action item during implementation provided that the reasons behind any adjustments are explained.

5) Monitoring and reporting — *For SDS III, individual sustainable development project leaders should consider compiling performance information consistent with the RMAF framework of TBS on an ongoing basis as part of the sustainable development monitoring and reporting system. In this respect, guidance from TBS and/or the office of the CESD would be welcome. Nonetheless, the Department needs to develop its own measurement system for SDS III.*

Management Response: Agree

Each of the 32 action items in the new strategy is underpinned by a detailed two-page background document, which explains the rationale for the action item, linkages to other departmental initiatives, partnership involved, and performance measurement information. In terms of performance measurement, a new RMAF-based performance measurement regime has been built into the new strategy. The structure of the monitoring and reporting template (through which each responsibility center will report) is developed around these two-page documents to ensure consistency with the specific deliverables established and what is reported on bi-annually. This approach also supports IC's Modern Comptrollership Initiative.

6) Resources — *The strategic planning process for SDS III should explore the potential of allocating funds for projects under an SDS III appropriation framework.*

Management Response: Taken under Advisement

While this recommendation is desirable, the present funding challenges within the department make it virtually impossible to achieve a comprehensive, department-wide appropriation framework for SDS III. Notwithstanding this situation, for the first time in an IC SDS, the department has signed a Memorandum of Understanding with other federal departments (EC, NRCan, DFAIT) to co-fund specific projects over the next three years related to Corporate Social Responsibility. These will enhance and build on the commitments made in SDS III.

7) Internal partnerships — *During the planning process for SDS III, the Department should consider how to engender intradepartmental cooperation towards achieving the desired sustainable development outcomes.*

Management Response: Agree

IC has made a particular effort to broaden the participation of sectors/branches in SDS III. First, there is more involvement in terms of five new action items from the Spectrum Information & Telecommunications Technologies (SITT) sector, which also contributes to the department's contribution to the social dimension of sustainable development. In addition, there are a number of action items that have two or three IC branches jointly delivering and reporting over the next three years, particularly those under the new Corporate Responsibility & Sustainability section. Finally, we have 18 IC branches planning to deliver on 32 action items in SDS III, while there were 16 branches delivering 58 action items in IC's second strategy.

8) Delivery instruments — *Regardless of this challenge, it is important for the Department to assess and select the most effective tools at its disposal that best achieve intended results in a timely fashion.*

Management Response: Agree

IC is committed to achieving a balanced mix of policy tools to advance the initiatives in SDS III and meet its SD objectives (i.e. voluntary initiatives, negotiated agreements, standards, economic instruments, command and control regulations).

9) Results — *To address the requirement of the CESD for a cumulative review in 2007 of 10 years of sustainable development and SDS monitoring work, Industry Canada should prepare to present a comprehensive evaluation of the cumulative results of its SDS strategies.*

Management Response: Agree

IC commits to undertake a cumulative evaluation study in FY 2006-07, which will cover SDS I, II and III. It will look at the cumulative impact of all three SDSs and progress towards long-term outcomes.

10) Parallel strategies — *To engender a more robust role for sustainable development within the Department, it would be useful if the next strategy (SDS III) would be substantially more referenced within parallel strategies of the Department — such as* Achieving Excellence: Canada's Innovation Strategy.

Management Response: Agree

Canada's Innovation Strategy contains references to sustainable development, environmental technologies and eco-efficiency. It specifically makes the point that "SD is an integral element of the innovation agenda." Furthermore, it calls for "increased support for established commercialization programs that target investments in…eco-efficiency."