MANAGEMENT RESPONSE TO A REPORT ENTITLED

Evaluation of Canada's Digital Collections Program

March 2003

Background:

This evaluation study was undertaken under Industry Canada's ongoing program evaluation process at the request of the Deputy Minister of Industry Canada. Prairie Research Associates Inc. was engaged to undertake the evaluation study on behalf of the Audit and Evaluation Branch of Industry Canada. The evaluation study was to address the following issues:

*   Is there a need for Canada's Digital Collections Program?
*   Are the program structure and delivery mechanism appropriate?
*   What results (intended or unintended) have been achieved by the program?
*   What lessons have been learned, and how can the program be improved?

The evaluation framework which identified the issues to be studied identified the following three core considerations:

*   In terms of preserving Canada's culture and historical heritage, is Industry Canada the appropriate "home" for CDC?
*   Are there changes needed to the administration of the funding process that would benefit CDC regardless of where it is located?
*   What technical challenges exist for current and future collections?

The consultant designed the questionnaires used in the study around these key considerations, and addressed them in its recommendations.

Canada's Digital Collections program (CDC) is an Industry Canada youth employment program funded under the Youth Employment Strategy of the Government of Canada. The program has been in operation since fiscal year 1996-1997.

Since the inception of the program, over 3,200 young Canadians have enhanced their ICT and business skills with the assistance of Canada's Digital Collections. Close to a 100 IT firms and over 25 youth-run IT firms have benefited from the program and a considerable number of IT firms were created as a result of the experience gained from participating in the program. More than 500 completed digital collections are available to the Canadian public on the CDC Web site (http://collections.ic.gc.ca), which is a major source of Canadian content on the World Wide Web. In January, 2003, this Web site received 699,000 visitors, who viewed more than 3 million pages.

The objectives of Canada's Digital Collections program are:

*   To promote the development of on-line services and stimulate the use of the World Wide Web technologies in Canada by funding the creation and showcasing a large collection of Canadian on-line resources with particular emphasis on their use in learning environments.

*   To enhance the integration of advanced ICT skills in Canadian youth by providing funding for multi-media practicums for youth participating in the creation of cutting-edge, large-scale Internet projects.

Proposals submitted by the public, in response to Calls for Proposals posted on the Internet, are subject to competitive adjudication by four arm's-length expert assessment committees. Industry Canada provides funding to successful applicants though contribution agreements.

Management notes with satisfaction that the consultants' conclusions are, on balance, very positive concerning the continuing need for the program, the integrity of the program design and delivery mechanism, and the quality of results. The high level of satisfaction with the program on the part of the youth participants is noteworthy. The conclusions and recommendations of this evaluation report will be examined in the context of a strategic planning exercise currently under way within the Information Highway Applications Branch.

Management Response to Observations:

Management notes the consultants' observations of the following weaknesses of CDC and pledges its best efforts to improve performance:

Observation 1: Payment structure and contribution agreements are irritants.
Management Observation: It should be noted that the evaluation study was largely carried out in the spring and early summer of 2002, when program staff still had very limited experience with contribution agreements. Program staff has since acquired considerable expertise in negotiating and managing contribution agreements. The Information Highway Application Branch has standardized and streamlined the approval process, as well as the handling of requests for advances and other payments.

Observation 2: Bureaucracy when modifications to project contract terms are required.
Management Response: Steps are being taken to reword contribution agreements so that fewer modifications need to be issued. It is expected that a revised contribution agreement template will be in place for contribution agreements to be issued in 2003-2004.

Observation 3: The focus is too narrow; it should fund a wider range of collections.
Management Response: In one sense, this observation may take issue with the interpretation of the concept of a 'collection,' which is central to the design of CDC: a pre-existing body of significant analogue material, which is digitized and made available to the public on the World Wide Web. Program staff will explore ways to further widen the range of collections supported, while retaining the principle that material digitized should offer maximum value and interest to the Canadian public.

Observation 4: Funding is delayed or inconveniently timed.
Management Response: As noted in the response to observation 1 above, the evaluation study was carried out while program staff was adjusting to a new funding instrument. More streamlined procedures are currently in place. The majority of recipients of CDC funding currently request and receive an advance of 90% of the value of their contribution agreements early in their project schedules.

Observation 5: Salary and funding levels are too low, especially for smaller organizations, as additional support is required to supervise the project; for many, current staffing levels are insufficient for this task,

thus reducing participation by these groups.

Management Response: Salaries have been increased for 2003-2004, to $10 and $14 per hour, for team members and team leaders, from previous rates of $8 and $12 per hour. Management will explore other sources of funding in the course of 2003-2004, to allow a wider range of participation by smaller organizations.

Observation 6: Contractors exploit the program for their own benefit

Management Response: This observation may reflect the fact that CDC is designed to allow Industry Canada to work with many different types of recipients, from government agencies and established institutions and firms to smaller community groups and newly founded youth-run firms. These different types of recipients do not all bring the same levels of experience and infrastructure to bear in carrying out a CDC project. They also approach the program from very different perspectives. Institutions are as a rule most interested in displaying their collections on the World Wide Web. Members of youth-run firms on the other hand look to a CDC project as a means of helping launch the reputation of a new firm and contributing to its fund of experience. Program staff is vigilant to guarantee that the Government of Canada receives full value for money from all recipients of CDC funding.

Management Response to Recommendations:

Industry Canada management is committed to addressing each of the recommendations in the evaluation study within the time frames set out below.

Recommendation 1: The CDC program should be maintained.
Management Response: Noted.
CDC has a solid track record, and provides good value on investment. Industry Canada expects to offer CDC to the Canadian public in 2003-2004. Industry Canada is reviewing this and other programs currently offered under the Connecting Canadians initiative. The longer-term future of the program will be decided in the course of this exercise, and in the context of the ongoing strategic planning process of the Information Highway Applications Branch.
Follow-up Action:
A new call for proposals has been issued for 2003-2004.
Time-Frame:
On-going.

Recommendation 2: Consideration should be given to two options for broadening the CDC program: 1) migrating it to departments/agencies that are more directly involved with culture, and 2) expanding the involvement of departments, agencies and even private organizations to increase the range of collections.
Management Response: Noted, as options for the future.
1) Optimal use of resources may lead Industry Canada in future to transfer CDC, either as a complete program model, or simply as a body of digital content, to another federal department or agency with a mandate to provide digital content to the Canadian public. We should note however that CDC includes a significant body of content which is not strictly cultural in nature. This content, devoted to natural history, natural sciences and engineering, presents material which falls outside the mandate of a department or

agency strictly concerned with culture. As a result it might no longer be available to the public.

2) Industry Canada has consulted and cooperated with Government of Canada departments and agencies, with provincial government departments and with the private sector since the program was launched in 1996. These have included the Department of Canadian Heritage, Indian and Northern Affairs Canada, Veterans Affairs Canada, the National Library and Archives of Canada, Canada's national museums, the governments of British Columbia and Newfoundland, the Assembly of First Nations and Historica. Employees of Government of Canada and provincial government departments and agencies are members of CDC assessment committees. Management remains open to discussion of partnership arrangements with other government departments and private-sector organizations.

Follow-up Action:

Industry Canada is represented in a senior-level consultative committee on Canadian content for the Internet chaired by the Department of Canadian Heritage. This committee will be informed of the recommendations of the evaluation report. Co-operation with government agencies and private-sector organizations mentioned above will continue.

Time-Frame:

On-going.

Recommendation 3: Industry Canada or some other federal department/agency should maintain the 'portal' for all collections. This should not preclude links to other sites to increase access to collections.

Management Response: Agreed, with reservations.

Management notes that the Department of Canadian Heritage and Indian and Northern Affairs Canada currently maintain portals that provide access to a range of Canadian government content on the Internet. Industry Canada currently cooperates actively with these two departments. There is reason to expect significant advances in portal technology in the coming years. These new technologies should facilitate the creation of more flexible and powerful portals than those currently in use. The further issue of whether one or more Government of Canada portals will best serve the needs of the Canadian public should be examined when Internet technologies have developed sufficiently to merit such examination and review.

Follow-up Action:

Industry Canada will continue to cooperate with the Department of Canadian Heritage and Indian and Northern Affairs Canada, while closely following developments the creation of innovative portal and browser technologies.

Time-Frame:

On-going.

Recommendation 4: Industry Canada or the future sponsor of CDC will need to allocate resources to maintain and upgrade popular, high quality sites.

Management Response: Agreed.

A review of functionality of sites created between 1995 and 1997 was carried out in 2002-2003. Every effort will be made to ensure that sites are maintained and upgraded on a regular basis, beginning with the collections created in the period 1995-1997.

Follow-up Action:
Industry Canada will devote additional resources to further maintaining and updating existing digital collections.
Time-Frame:
On-going, beginning in 2003-2004.

Recommendation 5: Consideration should be given to awarding a management support fee for smaller organizations with smaller collections. Care is needed to ensure that this fee is reserved for the small, non-profit or community organizations.
Management Response: Noted.
The majority of recipients of CDC funding are non-profit or community organizations. Additional management support would certainly increase the range of organizations which could carry out CDC projects. Funding to provide such additional support is not however available at present.
Follow-up Action:
None, unless a source of supplementary funding can be identified.

Recommendation 6: The department ultimately responsible for CDC should increase its efforts to publicize CDC, thus raising the market profile of the custodians and their collections and generating greater public interest in the collections as an educational/informational resource.
Management Response: Noted.
The primary responsibility for publicizing any given digital collection rests with the owner of that collection, and of the source material. CDC requires recipients of funding to register their collections with major search engines. The success of this low-cost strategy is demonstrated in the fact that public interest in the digital collections has grown steadily over the years, reaching 699,000 visitors in January, 2003. Custodians of the source material of the digital collections thus already benefit from this growing exposure of their digital collections and physical holdings. Industry Canada will continue to take advantage of any significant developments in technology (including Web browser and search technologies) to provide for the greatest possible exposure for the contents of the digital collections.
Follow-up Action:
Industry Canada will devote further resources to be determined to publicize the program and the collections, through organization of public events and participation in conferences.
Time-Frame:
Ongoing, beginning in 2003-2004.

Recommendation 7: Industry Canada needs to develop a strategy for ongoing maintenance of the collections.
Management Response: Agreed.
Internet technologies continue to evolve at a rapid rate. Content which represented cutting-edge technology in 1996 may seem limited in interest and scope in 2003. Industry Canada has already carried out a review of content created between 1995 and 1997. As noted in the response to Recommendation 4 above, resources will be dedicated to renewing or eventually culling the older collections in 2003-2004. This process is expected to lead to a comprehensive strategy for maintaining CDC content.
Follow-up Action:

See Recommendation 4 above.

Time-Frame:

Ongoing, beginning in 2003-2004.

Management Accountability

Leadership in implementing these recommendations is to be provided by the Spectrum, Information Technology and Telecommunications Sector, Industry Canada.