



Western Economic
Diversification Canada

Diversification de l'économie
de l'Ouest Canada

Evaluation of Policy, Advocacy and Coordination Functions

WESTERN ECONOMIC DIVERSIFICATION CANADA

Audit & Evaluation Branch

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EXECUTIVE SUMMARY

Introduction

Western Economic Diversification Canada's (WD) Policy, Advocacy and Coordination (PAC) function includes a range of activities designed to build a strong economic foundation in Western Canada. These activities are intended to result in effective strategies, policies and programs that address the economic development needs, opportunities, and aspirations of western Canada.

One of the strategic outcomes for WD is to act as a champion and advocate for federal and intergovernmental collaboration to address key impediments to long-term growth and diversification and promote coordination in areas of federal or shared federal-provincial jurisdiction. To achieve this strategic outcome, the department undertakes three distinct, but interrelated activities:

- Collaboration & Coordination;
- Advocacy; and
- Research & Analysis.

PAC functions are delivered via the four regional offices (AB, BC, MB, and SK), the Ottawa Liaison Office and the Corporate Policy, Planning and Performance Measurement office in Edmonton. A significant part of the duties of WD senior executives is also related to PAC.

This evaluation covers the fiscal years from 2003-04 to 2007-08. The objectives were to determine the extent to which the PAC functions are meeting their intended objectives and achieving the strategic outcome as identified in the departmental Report on Plans and Priorities as well as examining relevance, cost-effectiveness and design and delivery issues of the PAC functions. The methodology for the evaluation included document, literature, file and database reviews; key-informant interviews (120); case studies (10); and comparative analysis with other organizations having mandates similar to Western Economic Diversification Canada.

Relevance

WD's PAC activities are undertaken throughout the department to support program development and delivery. This is reflected in the work undertaken by WD senior executives and also in PAC related work in the regions and WD headquarters. WD's Ottawa policy office plays a unique strategic policy role providing federal level policy context for WD programs and influencing decisions by other federal government departments to support economic development in the West.

Specific projects are sometimes identified and classified in WD's project database as exclusively PAC related projects. WD, in collaboration with other partners, contributed a total of over \$9 million in investments to projects identified in the WD database as PAC projects in western Canada.

About 97% of key informant interviewees stated that WD PAC activities are relevant and that there exists an ongoing need for WD's PAC activities.

Documents reviewed indicate that all PAC projects funded under contribution agreements are directly linked to the WD PAC strategic outcome, and support directly or indirectly at least one of the other two WD strategic outcomes of Entrepreneurship and Innovation and Community Economic Development. Furthermore, all PAC projects funded by WD align with Government of Canada strategic priorities such as strong economic growth, science and technology, and international competitiveness. 93% of WD staff and other federal government key informants indicated that PAC activities are consistent with the priorities of the federal government.

One quarter of key informants indicated being aware of some duplication between PAC activities and other federal or provincial initiatives. Some specific examples of duplication given by respondents are the policy branches of provincial government ministries involved in economic development and innovation; the similar mandate of Industry Canada with regard to economic development; and the Industrial Research Assistance Program of the National Research Council. However, it was further indicated that this duplication is both positive and necessary. WD PAC activities were also mentioned to complement other PAC activities by organisations such as provincial government ministries, Federal Councils and other federal departments.

Success of PAC Activities and Projects

1. Overall Impacts

The success of WD PAC activities is indicated by 94% of key informants stating that PAC activities and PAC-sponsored projects contributed to the development of policies that support the development of western Canada. Similarly, 93% of respondents indicated that the PAC function has contributed to the development of programs that support the development of western Canada while 95% of respondents indicated that PAC activities and PAC-sponsored projects contributed to the decisions made by other organizations concerned with the development of western Canada. Outcome data on the net impacts for PAC activities remain a challenge, as outcomes are influenced by other factors that cannot be separated out, and most of the information cannot readily be quantified. Current performance indicators being collected by the department provide only a partial assessment of the performance of WD's PAC activities.

2. Success of Research & Analysis Activities

Most respondents in the case studies indicated that the research supported by WD contributed to a great extent to policy and/or program design, to advocacy and coordination purposes, and to improved understanding of Western Canadian issues.

Overall, 92% of key informant respondents indicated that WD-supported and WD-conducted economic and policy research and analysis contributed to improved understanding of western Canadian economic issues, challenges, opportunities and priorities. Some key informant interviewees and case study respondents indicated that they would like WD to disseminate its research to a greater extent with a well-planned and executed communication strategy.

Overall, 88% of key informants stated that WD-supported and WD-conducted economic and policy research has contributed to decisions being made that support the development of western Canada. The average rating of WD staff regarding the extent to which economic and policy research recommendations have been used to inform WD policies and/or program designs was 4.0 on a scale of 1 to 5. The average rating of WD staff regarding the extent to which policy research knowledge and expertise has been used by departmental programs and initiatives was 4.0. This finding reinforces the previous findings and indicates that research is an important component of PAC activities because it provides necessary guidance for planning of departmental programs and initiatives.

3. Success of Advocacy Activities

Approximately 96% of key informants stated that WD advocacy activities contributed to improved understanding and awareness by other organizations (federal departments and agencies and provincial governments) of western issues, challenges, opportunities and priorities. 88% of key informants stated that WD advocacy activities have contributed to decisions by other organizations that benefit economic policies and programs in the West.

Several WD staff indicated that the advocacy function has devoted considerable efforts to ensuring that federal government procurement is available to western Canadian companies so that they obtain their share of Industrial Regional Benefit (IRB) packages. Since 2006, WD has planned, organized and led five supplier development missions, worked continually with prime contractors domestically and internationally as a result of the IRB program.

4. Success of Collaboration & Coordination Activities

Overall, 91% of key informant respondents stated that WD-sponsored or WD-conducted collaboration and coordination activities have contributed to better-coordinated economic development activities, policies and programs in the West. Overall, 87% of respondents stated that WD-sponsored or WD-conducted collaboration and coordination activities have contributed to aligning federal and provincial regional economic development priorities in the West.

Cost-effectiveness

WD devotes a slightly higher proportion of its total human resources and budget to the PAC function as compared to the Atlantic Canada Opportunities Agency (ACOA) or Community Economic Development for the Quebec Regions (CED-Q). However, in absolute terms, the human resources devoted to the PAC function by ACOA (110 FTEs) are considerably higher than either WD (86 FTEs) or CED-Q (49 FTEs). As a percentage of the total RDA budget, PAC-budgeted expenditures for 2008/2009 amount to 4.5% for WD, 3.7% for ACOA and 2.4% for CED-Q. This indicates that there is not much difference between WD budgeted expenditures for PAC as compared to that of ACOA and CED-Q.

Approximately 62% of key informants stated that PAC activities are very cost effective, 8% of respondents indicated that PAC activities are somewhat cost effective and no key informants indicated that PAC activities were not cost effective. Overall, case study respondents indicated that their initiatives were delivered in a relatively efficient and effective manner.

Evidence gathered indicates most Research & Analysis focused projects would not have proceeded without WD funding. Reasons include: lack of other sources of funding for the initiative, inability of clients to be able to coordinate funding from other federal departments, inability of client to coordinate project needs with federal government priorities, and inability of other federal departments (based in Ottawa) to access information on the initiative on a timely basis. Some initiatives would have proceeded, however the scope and the number of initiatives might have been reduced and the success would have been limited.

Design and Delivery

Key informant respondents (55%) indicated that the current organization structure for PAC activities is effective, 29% of respondents stated that the organization structure could be improved and 16% of respondents did not know or did not respond to this survey question. Stakeholder views support some re-examination of the roles and responsibilities across the various PAC functions at WD.

The key strength mentioned most frequently for the current organization structure for PAC activities is that the regional offices are important to local knowledge and ability to act. The two weaknesses of the current PAC organization structure mentioned most frequently by respondents are the lack of sufficient coordination/communication between regional offices, Ottawa liaison office and headquarters and the lack of clarity between roles of regional offices, Ottawa liaison office and headquarters.

There exists opportunities to enhance the extent of communication of PAC results (e.g., research results) to external stakeholders. The average rating of satisfaction by all respondents regarding the way in which PAC projects are communicated was 3.7 out of 5. In addition, 41% of WD staff indicated that insufficient efforts are devoted to communicating PAC results (e.g. research reports) externally.

Recommendations

Common themes from findings in all lines of evidence for the evaluation led to the formulation of these five recommendations.

Performance Measurement

1. The department should review and assess its performance measurement framework under PAC to determine and then implement performance measures that cover the range of PAC outcomes.

Operational Structure

2. The department should re-examine and clarify roles and responsibilities within and across the various PAC units at WD.

Communication

3. The department should improve the frequency and extent of communications and coordination between PAC regional, the Ottawa Liaison, and the Corporate Policy, Planning and Performance Measurement offices.
4. The department should develop and implement a communication strategy to disseminate the results of Research & Analysis projects.

Future Direction for WD PAC Activities

5. The department should formally acknowledge that PAC functions play a supporting/enabling role in relation to the entrepreneurship and innovation, and the community economic development strategic objectives for WD.

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SECTION 1: INTRODUCTION

1.1 Acknowledgement

Western Economic Diversification Canada (WD) would like to thank all of the key informants, case study participants and comparative analysis participants who generously gave of their time and knowledge to take part in the *Evaluation of Policy, Advocacy and Coordination Functions*. Without their participation and their insights, this report would not have been possible. WD also acknowledges the work done by Ference Weicker & Company in some of the data collection especially in completing the key informant interviews and comparative analysis.

1.2 Background

WD's Policy, Advocacy and Coordination (PAC) function includes a range of activities designed to build a strong economic foundation in western Canada. These activities are intended to result in effective strategies, policies and programs that address the economic development needs, opportunities, and aspirations of western Canada.

The department acts as a champion and advocate for federal and intergovernmental collaboration to address key impediments to long-term growth and diversification and promote coordination in areas of federal or shared federal-provincial jurisdiction. To achieve this strategic outcome, the department undertakes three distinct, but interrelated activities:

- Collaboration and Coordination

This activity involves bringing people, ideas, communities and resources together. This is accomplished through engaging other levels of government, other federal departments, industry (in particular, industry associations), academia, or the not for profit sector in order to plan or precipitate actions that result in a greater degree of development and/or diversification of the western economy. This can involve the process of developing policies and programs with other governments or partners to leverage resources and address economic challenges or take advantage of economic opportunities in a coordinated fashion.

- Advocacy

This activity aims to advance western Canada's interests in national policies, priorities and programs. The activity facilitates an improved understanding and awareness by policy makers of regional issues and opportunities and leads to action by the federal government, partners or stakeholders to help achieve a more balanced, regionally sensitive approach to western Canadian priorities, or that result in a greater share of federal programming or procurement in western Canada. The activity can also involve strategically advocating on behalf of Federal Government priorities within western Canada. Specific examples of this activity include providing input into Cabinet submissions, establishing and participating in western-based consultation forums, advocating in support of specific regional projects or issues, and engaging western Canadian stakeholders in the development and implementation of national priorities.

- Research and Analysis

This program activity involves preparing and disseminating information that results in an increased understanding of western Canadian challenges, opportunities and priorities and which provides information necessary to undertake internal or external policy and program development. This can include externally generated research; or in-house research and analysis involving economic overviews, environmental scans, analysis of federal or other government documents and sectoral or issue analysis that support departmental policy, planning or program development. This program activity includes external consultation on key economic issues or opportunities facing western Canada with leaders from both the private and public sectors.

The following table highlights the actual and planned expenditures as well as staff allocation by program activity over the last three fiscal years as well as planned expenditures for the same activities in the next two years.

Table 1: Actual and planned financial (\$Thousands) and human resources (full time equivalents: FTEs) allocation to PAC activities

	2005/06*	2006/07*	2007/08*	2008/09**	2009/10**
Policy- Research Analysis	\$ 2,912 FTEs - 32	\$ 2,758 FTEs - 32	\$ 2,752 FTEs - 21	\$ 4,160 FTEs - 27	\$ 4,160 FTEs - 27
Advocacy	\$3,414 FTEs- 22	\$3,272 FTEs- 22	\$2,912 FTEs- 27	\$2,683 FTEs- 20	\$2,684 FTEs- 20
Collaboration	\$4,805 FTEs- 35	\$4,645 FTEs- 35	\$4,805 FTEs- 37	\$5,866 FTEs- 39	\$5,866 FTEs- 39

*: Actual Spending; **: Planned Spending

Source: Departmental Performance Reports (2005-06; 2006-07; 2007-08) and Report on Plans and Priorities (2008-09)

PAC functions are delivered via the four regional offices (AB, BC, MB, and SK), the Ottawa Liaison Office, the Corporate Policy, Planning and Performance Measurement office in Edmonton. PAC activities also form a significant part of the duties of WD senior executives. The total number of FTEs allocated to PAC activities as shown in Table 1 is considerably higher than the actual number of WD employees performing these functions on a full time basis. This is a result of WD having to prorate its management, corporate and internal support staff costs across its three strategic outcomes for reporting purposes. This results in an inflated FTE count for PAC in order to fully cost all of WD's financial and human resources to its strategic outcomes.

1.3 Evaluation Mandate

A review of completed evaluations in the previous fiscal five years (2002/03 to 2007/08) indicates very limited evaluation coverage of the PAC strategic outcome. The new Treasury Board Evaluation Policy (effective April 1, 2009) calls for major departments to develop a 5-year plan to cover 100% of programs spending in a five-year life cycle. It is in this context that an evaluation of PAC was included in the approved WD Departmental Five-Year Evaluation Plan (2008-13).

This evaluation covers the fiscal years from 2003-04 to 2007-08. The objectives of the evaluation are to determine the extent to which the PAC functions are meeting their intended objectives and achieving the outcome as identified in the departmental Report on Plans and Priorities. The relevance, success, cost-effectiveness as well as design and delivery issues of the PAC functions were examined during the conduct of this evaluation.

A single evaluation of PAC functions, as opposed to three individual evaluations was undertaken. The components of the PAC role are intertwined with policy-related activities being at the centre of the relationships among the research, analysis and advice needed to back up advocacy claims and guide coordination efforts. By evaluating the activities of policy, advocacy and coordination at the same time, the evaluators can better understand and assess the links and overall impact of PAC.

The proposed evaluation is intended to provide internal and external stakeholders with appropriate information to enable judgments relative to PAC relevance, design and delivery, cost effectiveness and success. It is also expected that the evaluation will provide insight and recommendations to potentially enhance the delivery of the PAC functions.

1.4 Organization of this Report

The report is organized as follows:

Executive Summary

Section 1: Introduction

Section 2: Methodology

Section 3: Relevance

Section 4: Success: Policy, Advocacy and Coordination Strategic Outcome

- Success: Research & Analysis Activities
- Success: Advocacy Activities
- Success: Collaboration & Coordination Activities
- Unintended Impacts

Section 5: Cost-Effectiveness

Section 6: Design and Delivery

Section 7: Recommendations

SECTION 2: METHODOLOGY

2.1 Scope of Work

This evaluation of WD's PAC functions included a wide range of data collection methods, each of which is described below. The scope of the evaluation includes the following evaluation issues: relevance, success, cost-effectiveness and design and delivery. The objectives of the evaluation and the core evaluation issues are presented in Table 2-1.

Table 2-1
Core Evaluation Issues

	Evaluation Issues
Relevance	<p>1.1. Is there an ongoing need for Policy, Advocacy, and Coordination activities to support the economic development of western Canada?</p> <p>1.2 Do Policy, Advocacy, and Coordination activities continue to be consistent with the priorities of WD and the federal government?</p> <p>1.3 Do Policy, Advocacy, and Coordination activities duplicate or complement other federal or provincial development “programs”/Initiatives?</p> <p>1.4 In what manner and to what extent do PAC functions complement or duplicate other WD functions?</p> <p>1.5. To what extent are the objectives of the PAC functions still relevant?</p>
Success	<p><i>Strategic Outcome of PAC</i></p> <p>2.1 In what manner and to what extent has PAC activities and PAC-sponsored projects contributed to the development of policies, programs and decisions that support the development of western Canada?</p> <p><i>Policy Research & Analysis Activities</i></p> <p>2.2. In what manner and to what extent has policy research and analysis contributed to improved understanding of western Canadian economic issues, challenges, opportunities and priorities?</p> <p>2.3. To what extent has policy research contributed to decisions been taken that reflect western Canada needs and interests, as they relate to WD mandate?</p> <p>2.4. To what extent has an increased internal and external economic policy research and analysis capacity been developed to identify and explore issues, challenges and opportunities for economic growth in western Canada?</p> <p>2.5. In what manner and to what extent has policy research contributed to the development of WD strategic plans, and setting strategic directions for the department?</p> <p><i>Advocacy Activities</i></p> <p>2.6. In what manner and to what extent have advocacy activities contributed to decisions been made by other organizations that improve economic policies and programs in the West?</p> <p>2.7 To what extent have western Canadian firms become better equipped to compete for federal procurement opportunities?</p> <p>2.8 To what extent have advocacy activities proactively contributed to developing strategic sectors of the western Canada economy?</p> <p>2.9 To what extent have advocacy activities contributed to decisions made by other organizations (including federal government) to address emerging regional issues and needs (reactive role; economic adjustment to support specific sectors in crisis (e.g.</p>

	Evaluation Issues
	forestry). <i>Collaboration and Coordination Activities</i> 2.10 In what manner and to what extent have PAC activities and PAC-sponsored projects contributed to better-coordinated economic development activities, policies and programs in the West? 2.11. To what extent have federal / provincial priorities in regional economic development been shared/aligned? 2.12. To what extent has a strong federal presence through coordination with federal, provincial and other stakeholders in economic development been achieved? <i>Unexpected Outcomes</i> 3.1 Were there unexpected positive and/or negatives outcomes from PAC activities?
Cost-Effectiveness	4.1 To what extent have the program activities of Policy, Advocacy, and Coordination been cost effective? 4.2 Are there other more cost-effective/ efficient approaches or alternatives to be considered that would achieve PAC objectives? 4.3 How cost-effective are selected WD PAC priority files/case studies?
Design and Delivery	5.1. Is the current organizational structure for PAC activities appropriate (i.e. Efficient/Effective)? (i.e. Geographic distribution of PAC activities; number of units) 5.2 Is there a process in place for setting priorities and agendas for PAC? 5.3 Are the lines of communications adequate and effective: a. Within PAC (WD regional offices; WD Ottawa; WD HQ corporate Policy. b. Between PAC and WD executive and the Minister. Between PAC and other organizations 5.4 How effectively are the results from PAC- sponsored projects and initiatives being communicated?

2.2 Evaluation Study Activities

2.2.1 Preliminary Consultations

Preliminary consultations were conducted with WD PAC officers in the development of the evaluation framework and the interview guides and also to discuss data availability. WD PAC officers were also consulted in developing the list of key informant interviewees and case studies. Through these consultations, some preliminary evaluation information was also obtained.

2.2.2 Documents and Literature Review

The evaluation included the review of documents and literature containing information relevant to the PAC functions. The review was used primarily to assess relevance, design and delivery and impacts.

Three main types of documents were assessed and analyzed during the evaluation:

- General Background documentation (e.g. TB Submissions, WD Business Case reports, documents that describe PAC's history, rationale, theory, etc.);

- Program & Policy Documentation (e.g., Reports on Plans Priorities, Departmental Performance Reports, WD website, Terms of Reference, information on relevant PAC operational documents, manuals, etc.); and
- Evaluations & Past Studies (e.g. previous evaluations, reports, surveys, research, etc.).

2.2.3 PAC Project File Review and Data Analysis

The evaluation team conducted an analysis of all the PAC project data available through Info-Quest/Project Gateway and any other data collection system(s) within WD. Within the evaluation period of 2003-04 to 2007-08, 29 grant & contributions (G&Cs) projects related to PAC activities were identified. Table 2-2 indicates the distribution of the projects across the various PAC sub-activities.

Table 2-2 Number of projects

PAC Activity	AB	BC	MB	SK	Total	% of Total (activity)
Collaboration & Coordination	8	1	0	1	10	34.4
Advocacy	2	0	0	0	2	7.0
Research & Analysis	10	4	0	3	17	58.6
Total	20	5	0	4	29	100
% Total (province)	69.0	17.2	0.0	13.8	100.0	

The evaluation team reviewed all 29 files related to G&Cs. WD policy division identified an additional 151 projects classified under Operations & Maintenance (O&M). These projects were mainly related to conferences, work shops, trade representations and data acquisitions. Some of the projects were related to the G&C projects (e.g. data acquisition used in a G&C research & analysis project) and were analysed as part of the project file review. The project file review and data analysis was conducted using a customized template that facilitated extracting relevant information from the documents and organizing them under the indicators and evaluation questions.

2.2.4 Interviews with Internal and External Key Informants

A total of 120 interviews were conducted for the evaluation. The key steps used for the interviews were:

- Develop and review of interview guides and contact lists. Separate interview guides were prepared for each respondent group;
- Conducted a pre-test of the interview guides;
- Conducted a total of 120 interviews with WD staff and stakeholders; and
- Tabulated the interview results by type of respondent.

Table 2-3: Description of Respondents

Type of Respondent	Number	% of Total
WD staff	18	15%
Other federal government staff	13	11%
Provincial and municipal government staff	26	22%
Businesses and industry association representatives	26	22%
Academic and think tank representatives	20	17%
Other stakeholders*	17	14%
Total	120	100%

* Includes representatives from WD's service delivery partners such as provincial Community Futures organizations, FEDO's, WEI's, grant and contribution recipients, non-recipients, etc.

The majority of interviews were conducted by telephone while a few respondents completed the survey questionnaire and returned it by email. Out of a total of 156 potential interviewees that were in the initial contact list, interviews were completed with 120 individuals. As a result, the response rate was 77%. Some individuals on the contact list declined to participate because they were not sufficiently familiar with PAC to be able to respond to the interview questions. Other respondents were not interviewed as they did not respond to emails and telephone calls to establish an interview time or they were unavailable during the time frame that interviews were undertaken.

2.2.5 Case Studies

Case studies are an effective evaluation method to demonstrate program successes and challenges. While not representative of the entire program, selected case studies are useful for providing detailed examples and explaining how the program is more or less effective. Case studies for the evaluation were conducted for a sample of initiatives that cover all the three core functions. These allowed the gathering of in-depth information of PAC results and any challenges/obstacles encountered. Service delivery issues were also gathered as part of case studies.

Overall, 10 case studies were conducted for the evaluation. The case studies were used to investigate some issues in detail, in particular the respondents' perceptions of the delivery process, the benefits expected and gained, incrementality, and lessons learned. The findings from the case studies were used to help reinforce the main study findings and add detail that could not be obtained through other evaluation techniques. An individual case study consisted of a file and document review plus telephone interviews. For each case study, at least two stakeholders were interviewed. The list of case studies selected is as follows:

Case Study	Research & Analysis	Advocacy	Collaboration & Coordination
The Next West project: a 3-phase study on Western Canada transformations	X		
Alberta Federal Council Initiatives (AFC)			X
Asia Pacific Gateway and Corridor Initiative (APGCI)	X	X	X
Mountain Pine Beetle Initiative (MPBI) in British Columbia	X	X	X
Create the Composites Innovation Centre Manitoba Inc. (CIC)		X	X
University of Saskatchewan Veterinary and Infectious Disease Organization (VIDO) InterVac Initiative	X	X	X
Pan-western supplier development mission with SNC-Lavalin Profac, a qualified competitor in the Joint Support Ship (JSS) Project.	X	X	X
Primrose Lake Economic Development Initiative	X	X	X
Western Economic Partnership Agreements (WEPA)		X	X
Saskatchewan Life Sciences Industry Strategy	X		

2.2.6 Comparative Analysis/Benchmarking

The WD PAC functions were compared to the PAC functions of other organizations with a similar mandate to that of WD, in order to provide insight into possible improvements and best practices. WD was compared with the Atlantic Canada Opportunities Agency (ACOA) and the Canadian Economic Development for Quebec regions (CED-Q). The methodology for this comparative analysis included a blend of document reviews, and interviews with representatives from ACOA and CED-Q.

2.3 Limitations of the Methodology

- **Project File Review:** Within the period of the evaluation (2003/04 – 2007/08), 29 projects were undertaken as G&C projects. An additional 151 projects were undertaken as O&M projects. These O&M projects were mainly related to conferences, work shops, trade representations and data acquisitions. Projects files that demonstrate results for each of these O&M projects were not available thus impacting on the ability of the evaluation to estimate their net impacts. Some of the projects were related to the G&C projects (e.g. data acquisition used in a G&C research & analysis project) and were analysed as part of the project file review.
- **Case Studies:** The case studies enable an in-depth analysis that would not be possible with more general approaches. Case studies are typically expensive and time consuming to carry out. Given the resources involved, it would not be possible to create a statistically generalizable sample. The case studies were selected based on the degree to which outcomes/impacts could be measured at the time of the evaluation. It is likely that this selection process introduced a selection bias that may have influenced the responses obtained. To partially address this limitation, the case studies in this evaluation serve as one line of evidence to complement the other lines of evidence.

- **Comparative Analysis:** It should be noted that this study was not intended to definitively answer whether WD's PAC activities was cost-effective using the comparative analysis. Instead, the issue is whether WD PAC activities are delivered in an efficient and effective manner. The comparative analysis also explored whether there are improvements in the PAC design & delivery that could be made to increase cost-effectiveness.
- **Finally,** Estimating the net impacts of the WD's PAC activities is challenging because these activities occur along with others that are aimed at the same strategic outcome(s). The more appropriate approach, which was used in this evaluation, is to solicit stakeholder views on whether PAC activities contributed to the achievement of objectives. Contribution-focused analysis is not intended to establish the unique impacts of PAC activities, but instead to indicate whether and to what extent they played a role in achieving strategic outcomes.

SECTION 3: RELEVANCE OF PAC ACTIVITIES

3.1 Need for PAC Activities

Government policy-makers face an increasingly complex environment, time pressures, and public demand for quick responses to issues that continually shift. To satisfy these demands governments must use robust evidence and research to inform their policies and decisions.¹

As a relatively small department, with the objective of impacting a very large and diverse economic region, WD must ensure that its policies and programs are responsive, strategic and focused with respect to the diversification challenges in the West. This requires that WD work collaboratively with other departments and partners to achieve results, and serve as an advocate for western Canada within the federal system. WD is also required to support activities such as research and analysis, conferences, consultations and feasibility studies that generate an improved understanding of the western Canadian economy and focus on specific economic challenges and opportunities in the West.² WD's PAC activities are undertaken throughout the department to support program development and delivery. This is reflected in the work undertaken by WD senior executives and also in PAC work in the regions and WD headquarters.

WD's Ottawa policy office plays a unique strategic policy role providing federal level policy context for WD programs and influencing decisions by other federal government departments to support economic development in the West. The Office represents the economic interests of Western Canada and Western Economic Diversification: advancing WD perspectives at interdepartmental meetings where Memoranda to Cabinet are considered; intervening at the officials level to ensure that economic policy items represent Western Canada's interests; briefing the Ministers on economic issues being considered by Cabinet and making recommendations for Ministerial interventions. As well, the office leads WD's work on Industrial Regional Benefits working closely with the regions and partners in other government departments to maximize benefits for the western economy, businesses and institutions.

Most WD PAC activities lead to the achievement of other WD strategic outcomes in Community Economic Development, and Entrepreneurship and Innovation, and these activities cannot be quantified in WD's database. Some specific projects are however identified and quantified in WD's database as PAC projects. For these projects, WD in collaboration with other partners contributed a total of over \$9 million in investments. These specific projects in the database are related to G&Cs and O&Ms. WD has deemed it a priority to continue to invest in PAC activities. As new programs are developed and existing programs renewed, continued funding will be essential for WD PAC activities to play its enabling role to support the achievement of departmental strategic outcomes.

¹ Building Policy Research Capacity: Insights you can count on – Article by the Conference Board of Canada November 2007 <http://www.conferenceboard.ca/documents.aspx?did=2337>

² WD Corporate Business Plans for 2008-2009 http://wdnet/knowledge_warehouse/corp_busplans_e.asp

Overall, 97% of key informant respondents indicated that an ongoing need exists for WD's PAC activities. As indicated in Table 3-1, a consensus exists among all respondent groups for the ongoing need for WD's PAC activities.

Table 3-1: Is there an ongoing need for Policy, Advocacy, and Coordination activities to support the economic development of western Canada?

Type of Respondent	Yes	Don't know	Total
WD Staff	100%	0%	100%
Other Federal Government	92%	8%	100%
Provincial/Municipal Government	96%	4%	100%
Business Organizations	96%	4%	100%
Academia and Think Tanks	100%	0%	100%
Other Stakeholders	94%	6%	100%
Overall	97%	3%	100%

The most frequent reasons provided by respondents for indicating an ongoing need for WD PAC activities are to act as an advocate for western interests to the rest of the federal government (40%), and to develop policies and programs to stimulate and diversify the western Canadian economy (25%). Other responses provided were:

- Coordinate federal provincial government initiatives with regard to economic development (11%);
- Need policy analysis to guide what WD should be doing (10%); and
- Provide federal government with a regional, on-the-ground presence in western Canada – coordinate federal government efforts in western Canada particularly with regard to economic development (9%).

3.2 Consistency of PAC Priorities with WD and Federal Government priorities

Documents reviewed indicate that all PAC projects funded under G&C agreements are directly linked to the WD PAC strategic outcome, and support directly or indirectly at least one of the other two WD strategic outcomes of Entrepreneurship and Innovation, and Community Economic Development. Furthermore, all projects funded align with Government of Canada strategic priorities such as strong economic growth, science and technology, and international competitiveness.

Table 3-2 Linkages to WD and Federal Priorities

Activity	Link to WD Priorities	Link To Federal Priorities
Research & Analysis	<ul style="list-style-type: none"> - Technology Commercialization - Trade and Investment - Business Productivity and Competitiveness - Rural Diversification 	Strong Economic Growth
Advocacy	<ul style="list-style-type: none"> - Technology Commercialization - Trade and Investment - Business Productivity and Competitiveness - Rural Diversification 	Strong Economic Growth
Collaboration & Coordination	<ul style="list-style-type: none"> - Technology Commercialization - Trade and Investment - Business Productivity and Competitiveness - Rural Diversification 	Strong Economic Growth

Source: Departmental Report on Plans and Priorities 2008-09 retrieved on Dec 9, 2008. Available at <http://www.tbs-sct.gc.ca/rpp/2008-2009/inst/wco/wco-eng.pdf>

All of the WD staff surveyed indicated that WD PAC activities are consistent with the priorities of WD. The reasons given most frequently by respondents are that PAC priorities are stipulated as part of WD's mandate and that one of the key PAC activities is to help set the overall priorities of WD. Responses provided include:

- WD mandate stipulates that PAC should focus on advocacy, coordination and policy analysis;
- PAC helps to set the priorities of WD; and
- PAC priorities are to promote commercialization of technology, foreign trade, SMEs and economic development, which are also objectives of WD.

As indicated in Table 3-3, 93% of WD staff and other federal government representatives indicated that PAC activities are consistent with the priorities of the federal government.

Table 3-3: Are Policy, Advocacy, and Coordination activities consistent with the priorities of the federal government?

Type of Respondent	Yes	Don't know	Total
WD Staff	100%	-	100%
Other Federal Government	85%	15%	100%
Overall	93%	7%	100%

The most frequent reasons given by respondents were:

- The key priorities of PAC are the same as the federal government (e.g. strengthening of economy, science and technology strategy, Advantage Canada, foreign trade);
- PAC priorities are aligned because they closely follow the federal government priorities set out in the Speech from the Throne and the federal government budget; and
- PAC links regional priorities of western Canada with the federal government priorities.

3.3 Extent to Which PAC Activities Complement and Duplicate Other Initiatives

The majority of respondents (69%) stated that they are not aware of federal or provincial initiatives that duplicate PAC activities (Table 3-4). One quarter of respondents stated that they are aware of some duplication between PAC activities and other federal or provincial initiatives and the most frequent responses regarding which initiatives duplicate WD PAC activities are those undertaken by provincial government departments, Industry Canada, and other federal government departments.

Table 3-4: Are you aware of other federal or provincial initiatives that duplicate the WD PAC activities?

Type of Respondent	Yes	Maybe	No	Don't know	Total
WD Staff	22%	11%	67%	-	100%
Other Federal Government	23%	-	62%	15%	100%
Provincial/Municipal Government	28%	-	68%	4%	100%
Academia and Think Tanks	26%	-	74%	-	100%
Other Stakeholders	20%	-	73%	7%	100%
Overall	25%	2%	69%	4%	100%

Some specific examples of duplication given by respondents are the policy branches of provincial government ministries involved in economic development and innovation; the similar mandate of Industry Canada with regard to economic development; and the Industrial Research Assistance Program (IRAP)³ of the National Research Council. Upon reflection, most respondents agreed that while overlap/duplication exists, it is positive and necessary. For example, several provincial government representatives indicated that even though their policy branches deal with the same economic development and innovation issues, WD involvement in the same policy issues is required in order to present a pan-western perspective and to ensure that the work emanating from provincial government policy shops is considered in Ottawa. While some respondents indicated that the mandates of Industry Canada and WD overlap, most of these respondents stated that WD PAC involvement is necessary because Industry Canada focuses more on national programs and does not devote sufficient efforts to develop initiatives solely to address the needs of western Canada.

Therefore, while some respondents indicated some overlap/duplication occurs, most of these respondents feel that the involvement by WD in similar PAC activities as other federal and provincial government departments is not redundant. When some of these respondents were questioned regarding whether WD duplicates or complements these activities, most agreed that WD complements, to a greater extent, rather than duplicates, the activities of these other organizations.

³ The NRC-IRAP program provides assistance to small and medium-sized firms to develop new technologies that result in the commercialization of new products, processes or markets. NRC-IRAP's technology and business advisory network, coupled with the shared financial support it offers to innovative companies and organizations, strengthens Canada's innovation system and ignites the growth of NRC's technology cluster initiatives in Canada.

As indicated in Table 3-5, 86% of respondents indicated that they are aware of other federal or provincial initiatives that complement WD PAC activities.

Table 3-5: Are you aware of other federal or provincial initiatives that complement the WD PAC activities?

Type of Respondent	Yes	No	Don't know	Total
WD Staff	100%	-	-	100%
Other Federal Government	73%	18%	9%	100%
Provincial/Municipal Government	86%	14%	-	100%
Academia and Think Tanks	85%	10%	5%	100%
Other Stakeholders	80%	20%	-	100%
Overall	86%	12%	2%	100%

The most frequent responses regarding which initiatives complement WD PAC activities are those undertaken by the following organizations:

- Provincial government departments;
- Industry Canada;
- Other federal government departments;
- NRC;
- DFAIT;
- Federal Councils;
- Canada West Foundation; and
- The Rural Secretariat.

These complementary relationships are reflected in the case studies as WD partnered with a number of these organisations to deliver various initiatives:

- Alberta Federal Council Initiatives (AFC) – Members include all federal departments represented in Alberta.
- Asia Pacific Gateway and Corridor Initiative (APGCI) – Partners included:
 - Provincial governments in British Columbia, Alberta, Saskatchewan, and Manitoba;
 - Departments of Transport Canada and Foreign Affairs and International Trade Canada;
 - Vancouver Fraser Port Authority, Port of Prince Rupert; and
 - Asia Pacific Foundation of Canada.
- Mountain Pine Beetle Initiative (MPBI) in British Columbia – Partners included:
 - Community Futures Development Association of BC & Community Futures Development Corporations (CFDC's) in impacted MPB areas;
 - Stakeholder Groups including BC Government (Ministry of Forests) communities, Aboriginals and the forest industry; and
 - Departments of Justice, Treasury Board, Natural Resources Canada.
- Western Economic Partnership Agreements (WEPA) – Agreements signed with all four Western Canadian Provinces.

Most case study respondents mentioned the complimentary role played by WD PAC activities in securing funding for their initiatives. WD PAC activities within these case studies were mentioned to have complemented the other PAC activities from other organisations.

SECTION 4: SUCCESS OF PAC ACTIVITIES AND PROJECTS

4.1 Overall Impacts of PAC Activities and Projects

WD PAC activities contribute to the development of new WD programs, the renewal of various WD programs, and other programs that are delivered on behalf of other federal departments, such as the Softwood Industry Community Economic Adjustment Initiative (SICEAI) and the Infrastructure Programs (ICP, MRIF, and CSIF). WD PAC activities in these processes relate to leading or providing input into Memoranda to Cabinet and Treasury Board submissions.

WD introduced a new database (Project Gateway) in 2005 and created performance indicators for PAC activities in that year. Previously, unique project indicators were captured in project files and these indicators were mostly unrelated to the PAC indicators in the new database. The WD database indicates that between 2005 and 2008, 86.4% of completed PAC projects met or exceeded performance expectations. Table 4-1 indicates the outcomes reported against each performance indicator for the PAC activities within WD from 2005 to 2008 in Project Gateway.

Table 4-1 Outcomes of PAC Activities

PAC Activities	Performance Indicators	Outcome reported
Collaboration & Coordination	Funding for coordinating programs	N/A*
	Improvement in geographic or target group program coverage	21
	Number of coordinated services offered	1
Advocacy	Number of western priorities accounted for in federal trade and investment policies	6
Research & Analysis	Number of opinion editorials based on WD sponsored research	4
	Number of program or policy decisions influenced by WD research	3
	Number of spokesperson and media references to reports	17

Source: 2007-08 WD Departmental Performance Report *Information on this indicator was not available in WD's database.

Outcome data on the net impacts for PAC activities remain a challenge, as most of the information cannot readily be quantified⁴. The WD PAA identifies output indicators as outlined in Table 4-1. These indicators are at best only a partial assessment of the performance of WD's PAC activities.

All respondents from the case studies indicated that WD PAC activities contributed to a great extent to better coordinated activities between the players, and to securing support and funding

⁴ Outputs for the PAC functions, although tied to a strategic outcome for the departments, produce short, medium and longer-term outcomes that are more general and therefore more challenging to measure. In addition, some outcomes are confidential, making measurement at best an indirect process.

for various initiatives. Interviewees specifically mentioned WD's leadership role in the development of Memoranda to Cabinet and Treasury Board submissions for the implementation of various initiatives. As an example, results of WD's PAC role in the APGCI initiative are illustrated below.

ASIA PACIFIC GATEWAY AND CORRIDORS INITIATIVE (APGCI)

This initiative incorporated all of WD's PAC activities. The objective of this initiative was to have the federal government develop an integrated set of investments and policy measures focused on establishing Canada as a competitive transportation network and facilitating global supply chains between North America and Asia, and to capture economic value for Western Canada from these investments and policy measures. Over \$2.5 billion in infrastructure is being invested in this initiative. WD's initial commitments of \$4.4 million allocated to various projects were completed in April 2008.

In terms of advocacy, WD worked with lead federal departments and central agencies to get funding and policy support for APGCI investments, policies and programs in Western Canada. This included working through Memorandum to Cabinet and Treasury Board Submission. As well, WD advocated for a case for WD delivery of federal funding for Prince Rupert Container Terminal.

In terms of collaboration and coordination activities, WD participated on APGCI Interdepartmental Steering Committees in Ottawa and in Vancouver; consulted with partners, stakeholders, and community and business leaders to identify and improve understanding of economic challenges and opportunities related to APGCI; and coordinated with stakeholders and Transport Canada in delivery of a container terminal project in Prince Rupert.

In terms of policy research, WD staff played a role in the provision and distribution of regional economic intelligence through research and analysis; and in support, production and dissemination of studies based on specific policy research and analysis.

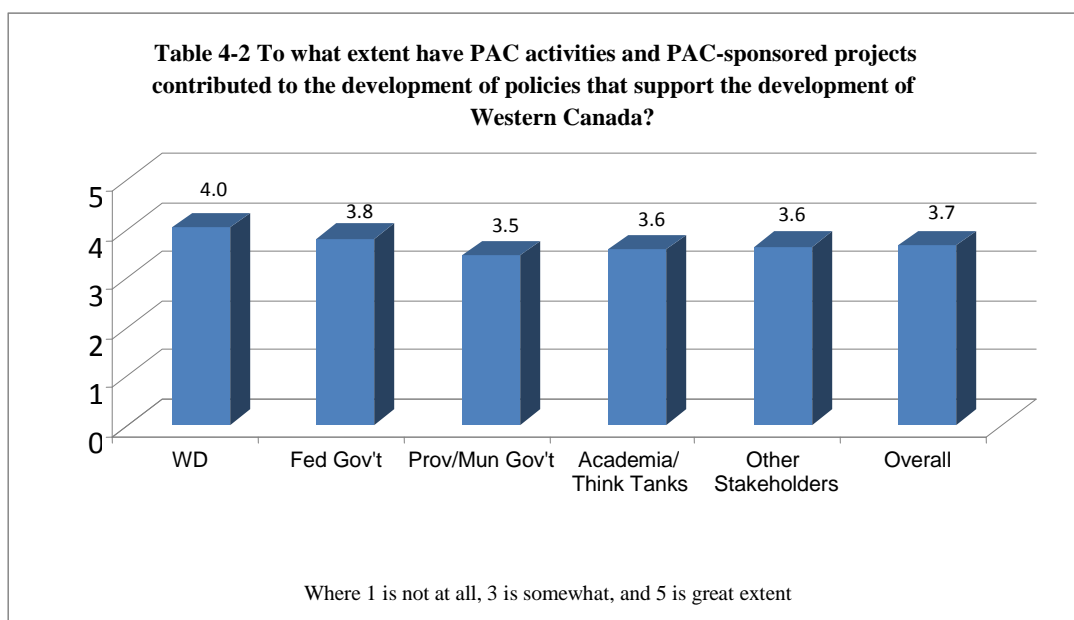
Examples of projects completed or under consideration from WD core funding as a results of WDs PAC activities on this initiative include:

- Port Alberta: \$2.26M for a partnership between the City of Edmonton, Edmonton International Airports, Edmonton Chamber of Commerce and Edmonton Economic Development Corporation to pursue business planning, logistics support centre and SmartPort Platform related to APGCI;
- Lower Mainland Air Cargo Opportunities Study: approximately \$165K to support a series of studies designed by the Greater Vancouver Gateway Council, two Airport Authorities, the South Coast Transportation Authority (TransLink) and other partners to examine regional air cargo opportunities related to the APGCI;
- Asia-Pacific Foundation: \$320K for research on APGCI approaches and value-added opportunities; and
- A \$100K WD contribution to the Manitoba International Gateway Council towards an economic impact assessment of Manitoba's Mid-Continent Corridor.

Overall, 94% of key informant respondents stated that PAC activities and PAC-sponsored projects contributed to the development of policies that support the development of western Canada. The respondents included in the figure of 94% are those interviewees that gave a rating of 3 or higher on a scale of 1 to 5 when asked to indicate the extent to which PAC activities and PAC-sponsored projects contributed to the development of policies that support the development of western Canada.

As indicated in Table 4-2, the average rating of all respondents was 3.7 out of 5. The average rating of provincial and municipal government representatives (3.5) was slightly lower than other respondent groups. The most frequent examples given by respondents where PAC activities and PAC-sponsored projects have contributed to the development of policies that support the development of western Canada is as follows:

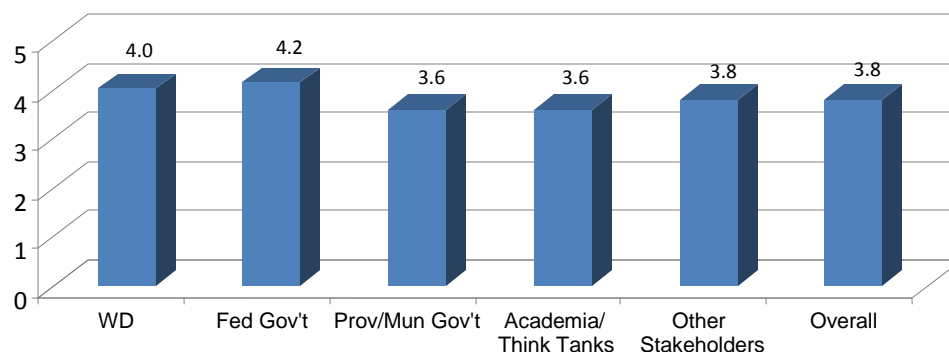
- Asia Pacific Gateway and Corridors Initiative;
- Canada West Foundation research projects (e.g. Going for Gold); and
- Foreign trade zones.



Overall, 93% of key informant respondents stated that PAC activities and PAC-sponsored projects successfully contributed to the development of programs that support the development of western Canada. The respondents included in the figure of 93% are those interviewees that gave a rating of 3 or higher when asked to indicate the extent to which PAC activities and PAC-sponsored projects contributed to the development of programs that support the development of western Canada. The average rating of all respondents was 3.8 out of 5 (Table 4-3). The average rating by representatives of federal government departments other than WD (4.2) was the highest of all respondent groups. The most frequent examples given by respondents where PAC activities and PAC-sponsored projects have contributed to the development of programs that support the development of Western Canada were:

- WEPAs;
- Urban development agreements; and
- Mountain pine beetle adjustment program.

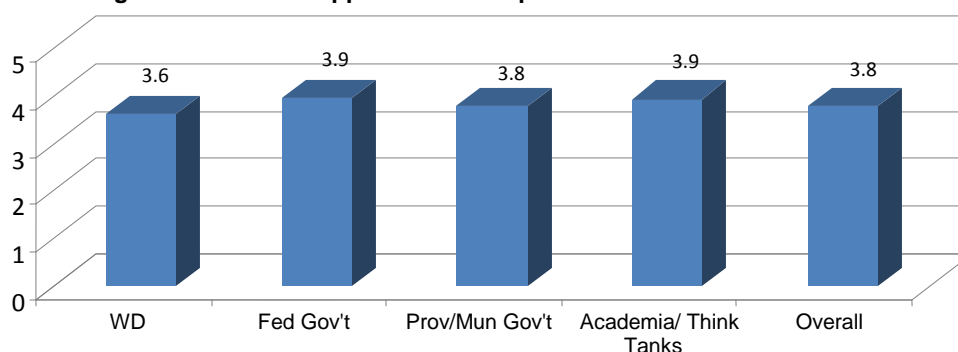
Table 4-3 To what extent have PAC activities and PAC-sponsored project contributed to the development of programs that support the development of Western Canada?



Where 1 is not at all, 3 is somewhat, and 5 is great extent

Overall, 95% of respondents indicated that PAC activities and PAC-sponsored projects contributed to the decisions made by other organizations concerned with the development of western Canada. As indicated in Table 4-4, the average rating of the extent to which PAC activities and PAC-sponsored projects contributed to the decisions of other organizations was 3.8. The average rating of PAC's contribution by representatives of other federal government departments (3.9) and academia/think tanks representatives (3.9) were the two highest of the different respondent groups. The most frequent examples given by respondents where PAC activities and PAC-sponsored projects have contributed to the decisions of other organizations that support the development of western Canada were APGCI, and the NRC-IRAP program.

Table 4-4 To what extent have PAC activities and PAC-sponsored projects contributed to the development of decisions being made by other organizations that support the development of Western Canada?



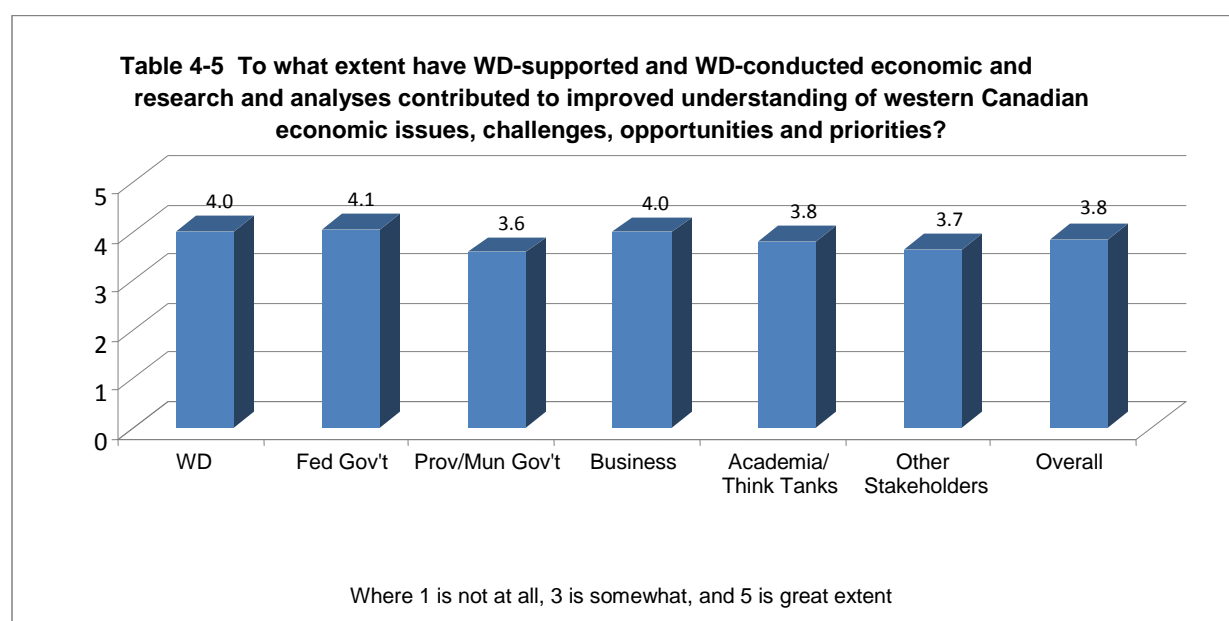
Where 1 is not at all, 3 is somewhat, and 5 is great extent

4.2 Success of Research & Analysis Activities

Most respondents in the case studies indicated that the research supported by WD contributed to a great extent to policy and/or program design, to advocacy and coordination purposes, and to improved understanding of western Canadian issues.

Overall, 92% of respondents indicated that WD-supported and WD-conducted economic and policy research and analysis contributed to improved understanding of western Canadian economic issues, challenges, opportunities and priorities. The average rating of the extent to which WD-supported and WD-conducted economic and policy research and analyses contributed to improved understanding of western Canadian economic issues, challenges, opportunities and priorities, was 3.8 on a scale of 1 to 5 (Table 4-5). Other federal government representatives account for the highest average rating (4.1) while provincial and municipal government representatives provided the lowest average rating (3.6). The most frequent responses given by respondents of examples where WD-supported and WD-conducted research has contributed to improved understanding of western Canadian economic issues, challenges, opportunities and priorities were:

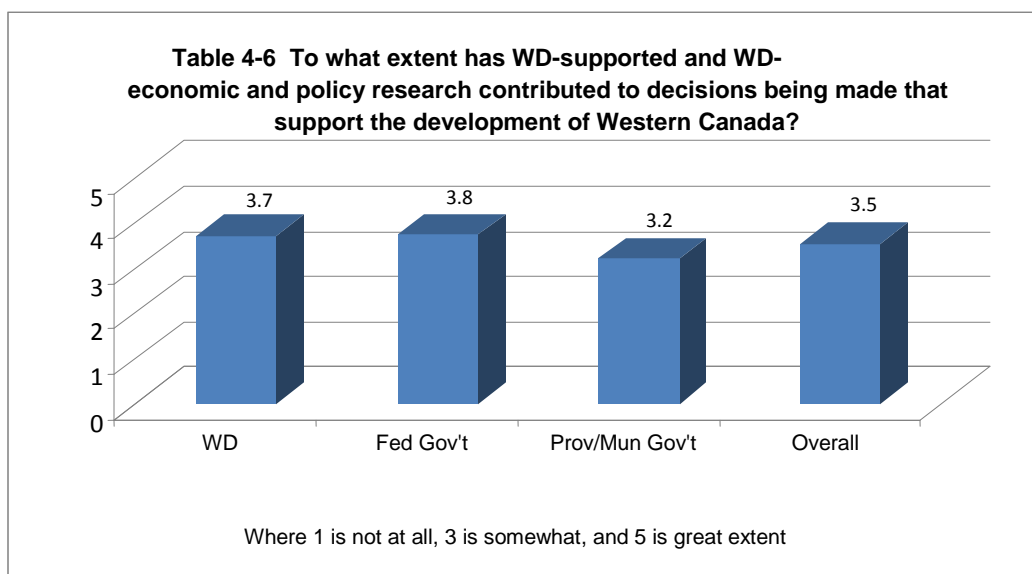
- Canada West Foundation research;
- Innovation studies;
- Sector profiles/environmental scans; and
- Conference Board research.



Approximately 12% of respondents (primarily provincial government and academic/think tank respondents) stated that they have not benefitted from and would like WD to disseminate its research to a greater extent. Respondents from The Next West case study, a major WD supported Research & Analysis initiative, supported this view by stating that although the results from this initiative were extensively disseminated, a well-planned and executed communication strategy could have added more value to the dissemination of the results.

When WD staff were asked if PAC research has been useful for WD's advocacy and coordination activities, the average rating was 4.1 on scale of 1 to 5. This high usefulness rating is due to the fact that most respondents stated that the research provides insights and understanding as well as a solid foundation for both advocacy and coordination activities. Some examples of research mentioned most frequently as being useful are the research related to innovation, foreign trade zones, inland ports and venture capital.

Overall, 88% of respondents stated that WD-supported and WD-conducted economic and policy research contributed to decisions being made that support the development of western Canada. As indicated in Table 4-6, the average rating of the extent to which WD-supported and WD-conducted economic and policy research contributed to decisions being made that support the development of western Canada was 3.5 on a scale of 1 to 5. Other federal government department staff provided the highest average rating (3.8) while provincial and municipal government representatives had the lowest average rating (3.2) of the respondent groups that were asked this question. One reason frequently given by federal government representatives other than WD for their high rating is that the research was very useful to support and guide specific initiatives that they were involved with in conjunction with WD such as the foreign trade zones and the Asia Pacific Gateway and Corridors Initiative. Some reasons given by provincial government/municipal representatives for their lower ratings are that the research is not specific enough (e.g. pan-western versus provincial) or that they have not seen the research produced by WD.



The most frequent reasons/examples given by respondents of the research contributing to decisions that support the development of western Canada were that WD's Research & Analysis:

- Resulted in higher priority given to the promotion of foreign trade;
- Supported decisions on science and technology initiatives;
- Were used in rationale section of Cabinet documents; and
- Influenced decisions regarding softwood and mountain pine beetle adjustment programs.

The average rating of WD staff regarding the extent to which economic and policy research recommendations have been used to inform WD policies and/or program designs was 4.0 on a scale of 1 to 5. Several WD staff indicated that WD relies heavily on research recommendations to shape advocacy work to identify program priorities and to decide what projects to fund. Some specific areas where WD staff indicated most frequently that research recommendations have been used to inform WD policies and/or program design were innovation and foreign trade.

The average rating of WD staff regarding the extent to which departmental programs have used policy research knowledge and expertise for their initiatives was 4.0 on a scale of 1 to 5. This finding reinforces the previous finding and indicates that research is an important component of PAC activities because it provides the necessary guidance for planning of departmental programs and initiatives.

Findings from the key informant interviews are supported by the results achieved through The Next West Initiative as illustrated below.

THE NEXT WEST PROJECT: A 3-PHASE STUDY ON WESTERN CANADA TRANSFORMATIONS

This initiative was a three-year (April 2005 to March 2008) research, consultation and communications project that investigated economic, generational, and community transformations in western Canada, with the purpose of providing strategic insight and advice for western Canadians, their governments and their communities. The total cost for the project amounted to \$1,855,600 to which WD contributed \$652,100 (36%). Other sources of funding included several foundations, corporations, and the provincial government of Alberta.

Key-informant interviewees indicated that the project has been very useful for WD's advocacy and coordination purposes, as it did substantiate positions taken by WD on policy issues. As well, working with nationally renowned policy experts allowed WD policy group to establish good working relationship and enhance its capacity. The project has also contributed to increased policy research capacity in western Canada, as a Canada West Foundation (CWF) office was opened in BC. Furthermore, A new project called "Going for Gold" grew out of the work of the Next West Project.

Interviewees also indicated that this project contributed to a great extent to decisions been made by other organizations that reflect the interests of western Canada. For instance, CWF interviewees indicated that the results of the project contributed into their ongoing work on how to improve public policy in Canada and how to ensure that the Western Canadian economy—and by extension the national economy—are competitive and prosperous over the long-term.

With respect to the WD PAA indicators reported in WD database, this initiative exceeded the targets set at the beginning of the project for:

1. Number of opinion-editorials based on WD sponsored research (target=10, outcome= over 50)
2. Number of spokesperson and media references to reports (target 10, outcome=over 50)
3. Number of publications (target=7, outcome=13)

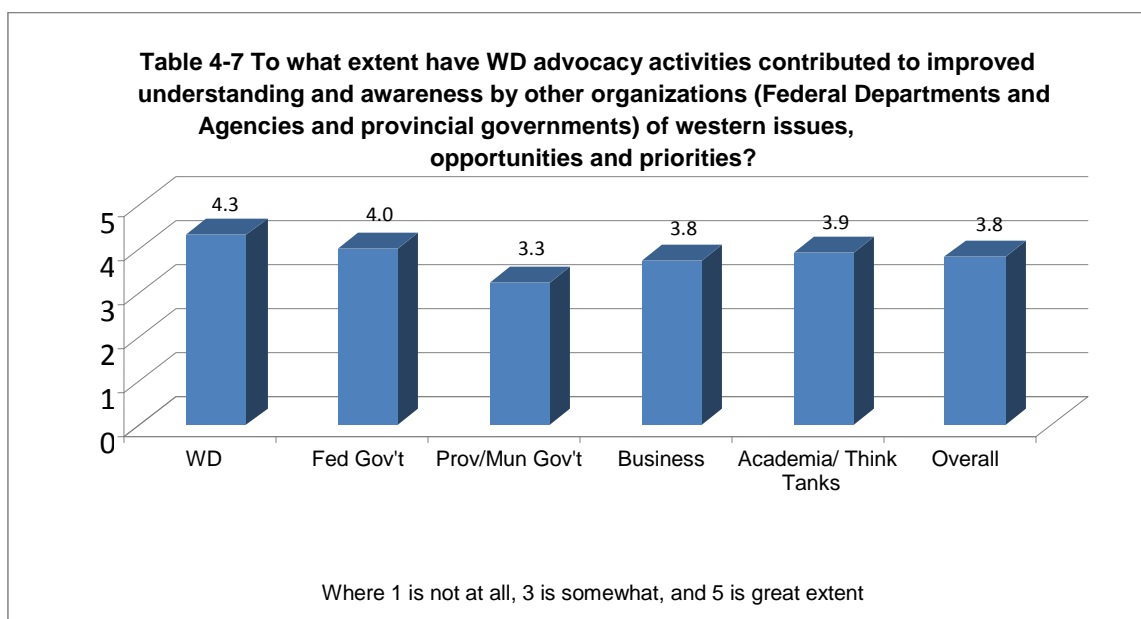
4.3 Success of Advocacy Activities

Advocacy work is encompassed in all activities that lead to the implementation of Research & Analysis, and Collaboration & Coordination initiatives. In addition, WD officials worked

collaboratively with Industry Canada and other regional development agencies on the negotiation of Industrial Regional Benefit (IRB)⁵ packages. WD advocates on procuring and securing high-quality IRB packages for the West by:

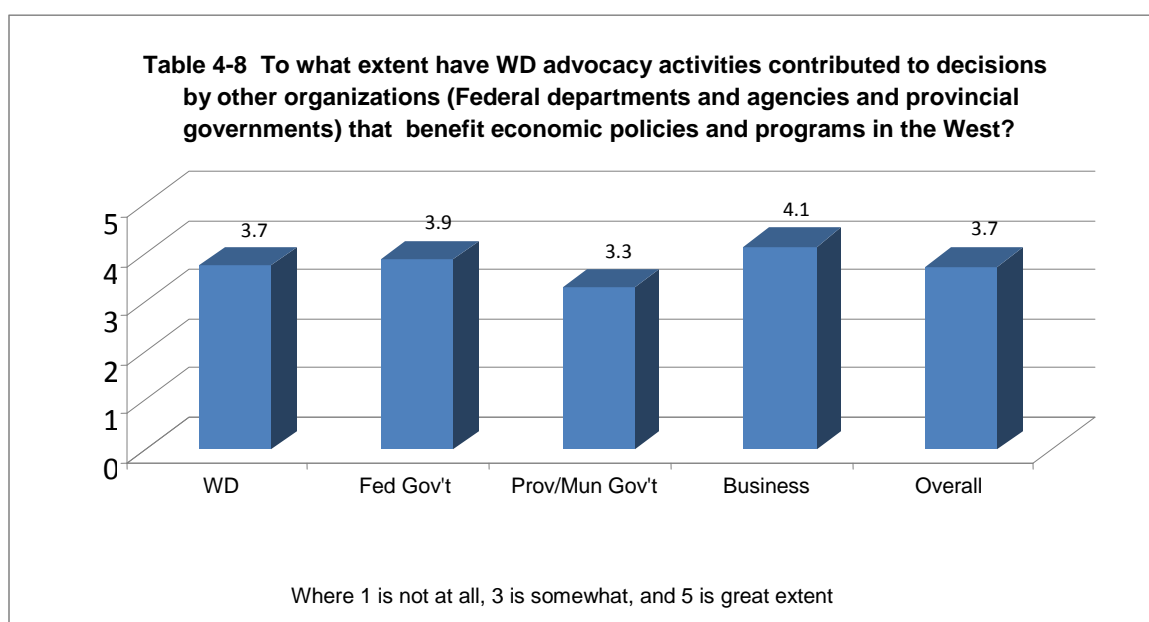
- Advocating on behalf of Western Canada's aerospace and defence industries in the development and application of the IRB policy;
- Connecting western Canadian companies with prime contractors and their suppliers;
- Identifying domestic and international procurement opportunities for Western Canada's aerospace and defence industries; and
- Collaborating with western Canadian industry, provincial governments, industry associations, federal partners and other stakeholders to build the knowledge and innovation infrastructure to sustain industries for the future.

Approximately 96% of key informant respondents stated that WD advocacy activities contributed to improved understanding and awareness by other organizations (federal departments and agencies and provincial governments) of western issues, challenges, opportunities and priorities. The respondents included in the figure of 96% are those interviewees that gave a rating of 3 or higher on a scale of 1 to 5. As indicated in Table 4-7, the average rating was 3.8 out of 5. The most frequently mentioned examples of initiatives/areas where WD advocacy contributed to improved understanding and awareness by other organizations of western issues were in the Asia Pacific Gateway and Corridors Initiative; the innovation/science and technology area; IRB; WEPAs; and foreign trade zones.



⁵ The IRB policy provides the framework for using federal procurement to lever long-term industrial and regional development. IRBs are mandatory for projects over \$100 million (Major Crown Projects), and to select procurements in the \$2-100 million range. Long-term benefits include technology transfers; joint ventures or strategic alliances; investments; product mandates, licenses, marketing agreements; regional and small business developments; and access to new international markets. Industry Canada has the lead on the IRB program with WD as a participating and operating department.

Overall, 88% of key informant respondents stated that WD advocacy activities have contributed to decisions by other organizations that benefit economic policies and programs in the West. The respondents included in the figure of 88% are those interviewees that gave a rating of 3 or higher when asked to indicate the extent to which WD advocacy activities have contributed to decisions by other organizations that benefit economic policies and programs in the West on a scale of 1 to 5. As indicated in Table 4-8, the average rating of all respondents was 3.7 out of 5. This average rating is very similar to the average rating for the impact of advocacy on increasing the understanding and awareness of other organizations of western Canadian economic issues and priorities. Consequently, WD advocacy activities have been successful in first contributing to an improved understanding of western economic issues by other organizations and then this improved understanding has resulted in decisions by other organizations that have resulted in economic development in western Canada.



With regard to advocacy with the federal government, several respondents indicated that WD has a good track record and has helped bring western issues to the attention of Cabinet and the Privy Council Office (PCO). In regard to advocacy with provincial governments in Western Canada, 12 respondents indicated that WD has been successful because of its leadership role and funding to engage in joint projects with provincial governments. Some examples of initiatives where WD advocacy contributed to decisions by other organizations that benefit economic policies and programs in western Canada mentioned most frequently by respondents were:

- Asia Pacific Gateway and Corridors Initiative;
- Innovation/science and technology;
- Industrial regional benefits;
- WEPAs; and
- Foreign trade zones.

The University of Saskatchewan Veterinary & Infectious Disease Organization InterVac Initiative (VIDO) case study illustrates how WD advocacy efforts contributed to federal and provincial decisions on funding for the initiative.

UNIVERSITY OF SASKATCHEWAN VETERINARY & INFECTIOUS DISEASE ORGANIZATION INTERVAC INITIATIVE (VIDO)

The VIDO's mandate is to serve the Canadian Livestock and Poultry Industry by conducting animal health-related research, communicating livestock management techniques and information, and facilitating the transfer of technology for international commercial development.

WD worked with other federal department and Central Agencies to get support for this initiative. This included working through federal Cabinet documentation preparation, development, coordination, and briefing process. Specifically WD was acknowledged as being very successful in coordinating federal departmental funding and advice to the project, providing support for the Cabinet decision on whether to support the initiative, and preparing the required Treasury Board documents which successfully led, to a request for \$49M in funding to support the project. WD's, advocacy, collaboration and coordination efforts contributed to:

- A \$140M animal vaccine facility project which is currently under construction and expected to be operational in 2010.
- \$49M being flowed to the project via WD.
- VIDO subsequently obtaining federal support for PREVENT, an initiative to commercialize animal vaccine products.

WD continues to work with the University of Saskatchewan and VIDO/InterVac on a variety of strategic policy and project opportunities and issues.

About 8% of key informants, indicated that it is difficult to attribute the advocacy activities of WD because it is hard to gauge how much influence WD PAC activities had in the decisions made by other federal government and provincial governments departments and agencies.

Approximately 66% of all key informants indicate that they were aware of instances where WD positions taken with respect to national policies, programs and the government's capital procurement agenda contributed to advancing the West's interest (Table 4-9). While most WD staff indicated they were aware of such instances, about one half of other federal government representatives and provincial government staff indicated they were aware while 72% of representatives of business organizations stated that they were aware of instances where WD advocacy activities with respect to national policies, programs and the government's capital procurement agenda have contributed to advancing the West's interests.

Table 4-9: Are you aware of any instances of where WD positions taken with respect to national policies, programs and the government's capital

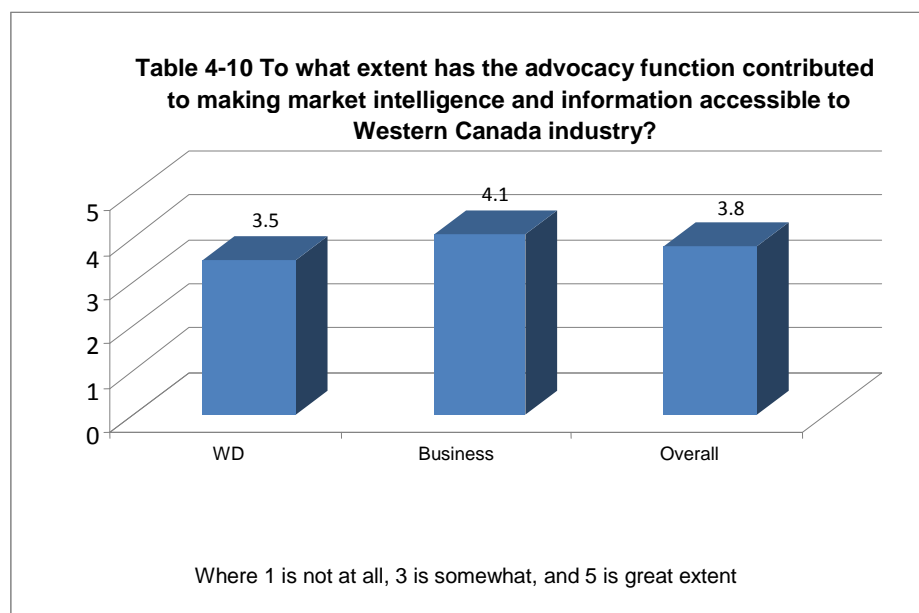
procurement agenda have contributed to advancing the West's interest?

Type of Respondent	Yes	No	Don't know	Total
WD Staff	89%	-	11%	100%
Other Federal Government	55%	9%	36%	100%
Provincial/Municipal Government	46%	29%	25%	100%
Business Organizations	72%	12%	16%	100%
Overall	65%	15%	20%	100%

When asked to provide examples of instances of WD advocacy activities contributing to advancing the West's interests, the most frequent responses were:

- Federal government procurement/industrial regional benefits
- Asia Pacific Gateway and Corridors Initiative;
- Science and technology initiatives;
- Softwood adjustment program;
- Foreign trade zones; and
- Mountain pine beetle adjustment program.

The average rating of the extent to which WD advocacy function contributed to making market intelligence and information accessible to western Canada industry was 3.8 on a scale of 1 to 5. As indicated in Table 4-10, the average rating of representatives of business organizations (4.1) was considerably higher than the average rating by WD staff (3.5). Some of the business organization representatives stated that the high rating is due to the research undertaken and funded by WD as part of the project they participated in with WD. Several WD staff indicated that the advocacy function devoted considerable efforts to ensure that federal government procurement is available to western Canadian companies so that they obtain their share of IRB packages.



As indicated in Table 4-11, the average rating of the usefulness of the market intelligence and information produced by WD advocacy activities in helping western Canadian industry better compete for federal procurement opportunities was 3.8 on a scale of 1 to 5. Representatives of business organizations (4.3) assigned a higher usefulness rating than WD staff (3.5). However, the response rate to this question by business organizations was relatively low (46%). Several WD staff indicated that the focus on obtaining industrial regional benefits for western Canadian companies has only recently been ramped up after being dormant for several years.

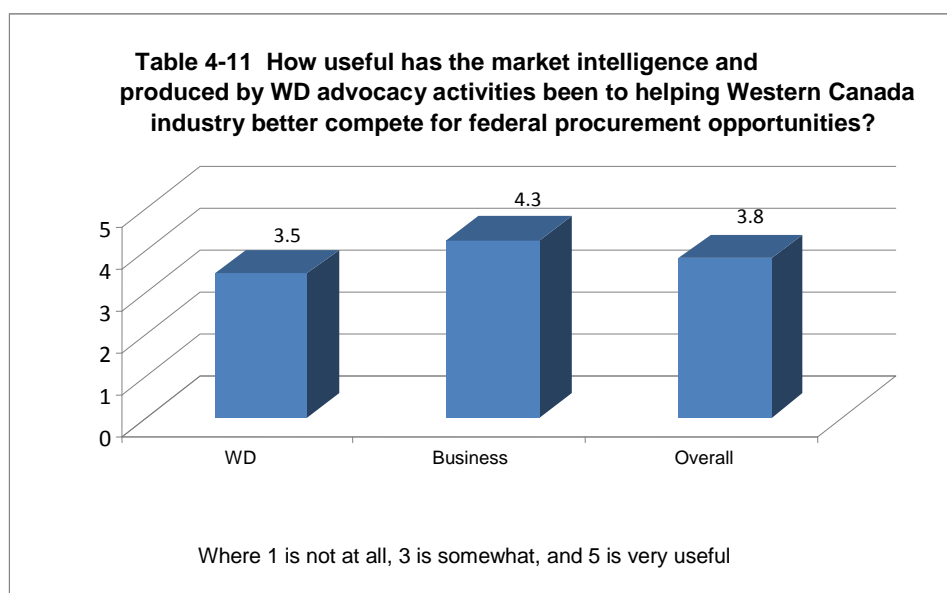


Table 4-12 indicates that 80% of WD staff and representatives of business organizations believe that WD advocacy work contributed to improved awareness of industrial and regional benefits and/or federal procurement opportunities. The most frequently mentioned examples of WD advocacy work of this type are the hosting of supplier tours between multinational companies and local suppliers in the aerospace sector and supplier development workshops.

Since 2006, significant engagement by WD in securing IRBs for Western Canada has happened. From 2003 to 2006, WD responded in an ad hoc manner to individual situations for IRBs on the basis of merit, specifically where it was determined that there was potential for significant benefit for Western Canada. WD did not have any resources devoted to IRBs and officials with other primary responsibilities managed procurement and IRB activities on an as needed basis. In response to criticisms from the Western Canadian industry for more WD engagement, the department identified IRBs as a business priority and developed the strategic IRB framework that is currently in place.

Table 4-12: Has WD advocacy work contributed to improved awareness of IRB and/or federal procurement opportunities?

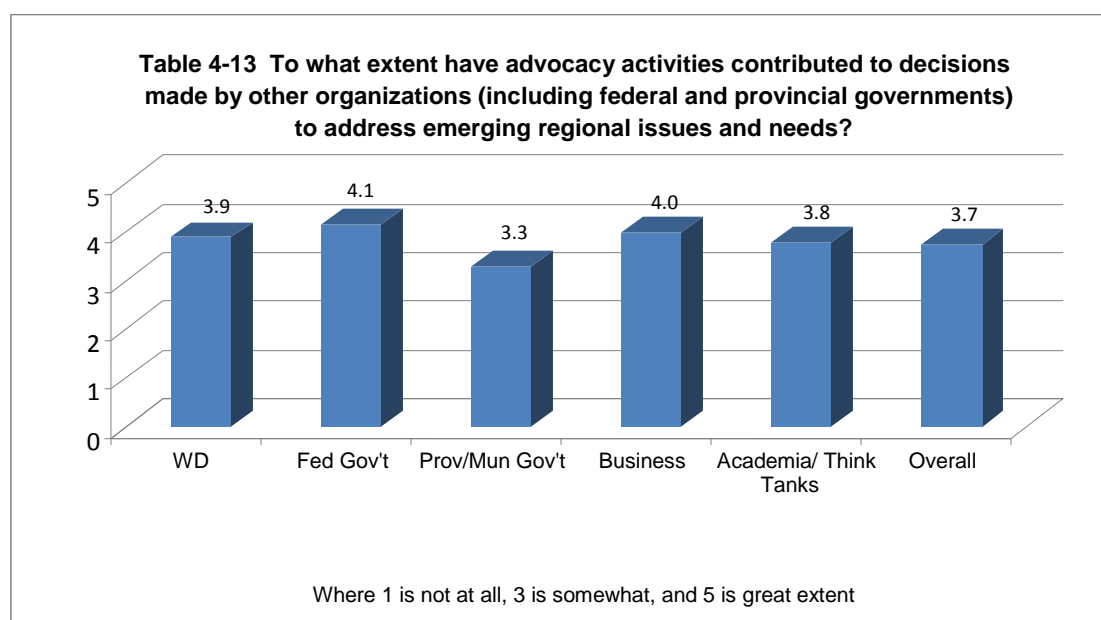
Type of Respondent	Yes	No	Don't know	Total
WD Staff	89%	-	11%	100%
Business Organizations	74%	13%	13%	100%

Overall	80%	8%	12%	100%
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Since 2006, WD has planned, organized and led nine supplier development missions, worked continually with prime contractors domestically and internationally as a result of the IRB program. These missions contributed to:

- The Saskatchewan Indian Institute of Technologies receiving \$2.75M in investments from Boeing, Lockheed Martin, and Rockwell Collins.
- Calgary-based General Dynamics Canada being awarded a \$341M (over 5 years) Land Command Support System in March 2009 by the federal government.
- Boeing providing \$157M (over 10 years) in contracts to 8 western Canadian companies and organizations in January 2008 as a result of winning the federal governments contract for four C-17 Globemaster III aircraft.

As indicated in Table 4-13, the average rating of the extent to which WD advocacy activities contributed to decisions made by other organizations (including federal and provincial governments) to address emerging regional issues and needs was 3.7 on a scale of 1 to 5. The two respondents groups with the highest average rating were federal government representatives other than WD staff (4.1) and representatives of business organizations (4.0).



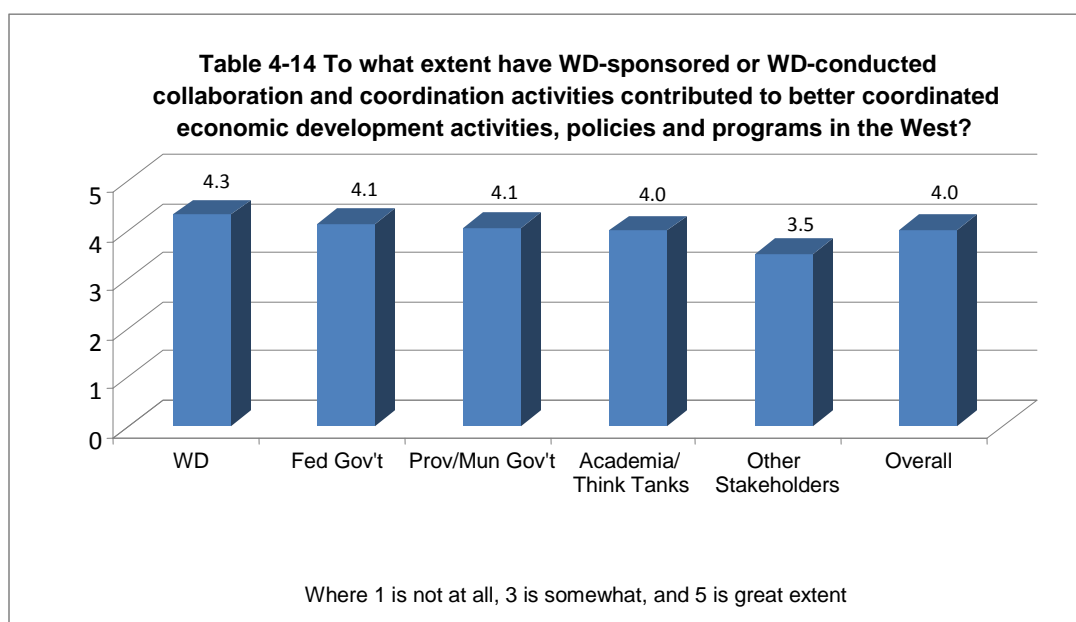
The regional issues and needs addressed by WD advocacy activities most frequently mentioned by respondents were:

- Innovation/science and technology;
- WEPAs;
- Asia Pacific Gateway and Corridors Initiative;
- Foreign trade; and
- Mountain pine beetle adjustment program.

4.4 Success of Collaboration and Coordination Activities

Collaboration and Coordination together with work on Advocacy activities are encompassed in all WD PAC activities. In addition to other collaboration and coordination activities incorporated throughout WD PAC functions, the department expended \$187,074 on 10 specific G&C collaboration and coordination-related projects identified in WD's database.

Overall, 91% of key informant respondents stated that WD-sponsored or WD-conducted collaboration and coordination activities contributed to better-coordinated economic development activities, policies and programs in the West. The average rating of the extent to which WD-sponsored or WD-conducted collaboration and coordination activities contributed to better coordinated economic development activities, policies and programs in the West was 4.0 on a scale of 1 to 5 (Table 4-14).

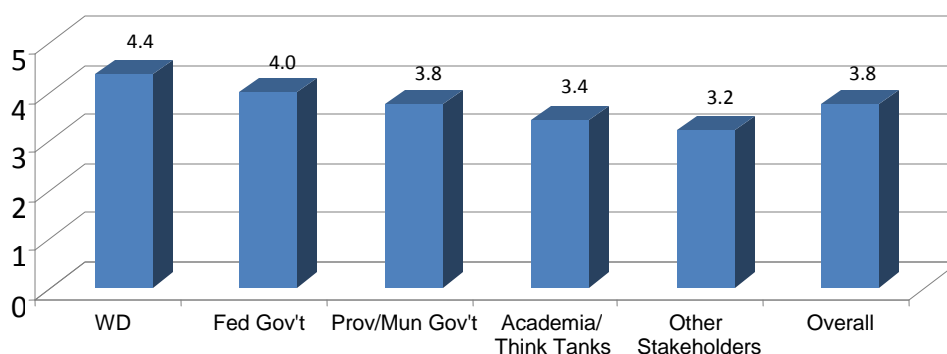


The examples of collaboration and coordination mentioned most frequently were:

- Western Canada senior innovation officials forum;
- WEPAs;
- Western Canada Business Service Network (WCBSN); and
- IRB activities undertaken by WD.

Overall, 87% of key informant respondents stated that WD-sponsored or WD-conducted collaboration and coordination activities have contributed to aligning federal and provincial regional economic development priorities in the West. As indicated in Table 4-15, the average rating of the extent to which WD-sponsored or WD-conducted collaboration and coordination activities have contributed to aligning federal and provincial regional economic development priorities in the West was 3.7 on a scale of 1 to 5.

Table 4-15 To what extent have WD collaboration and activities contributed to aligning federal and provincial regional economic development priorities in the west?



Where 1 is no contribution, 3 is somewhat, and 5 is very important contribution

The two examples of WD efforts to align federal and provincial regional economic development priorities mentioned most frequently by respondents were WEPAs and the Senior Western Innovation Officials forum. Twelve respondents stated that WD has been successful in establishing good relationships with the provincial governments in western Canada, which has helped to align federal and provincial economic development priorities. Four respondents indicated that provincial governments have their own priorities making it difficult to always obtain complete alignment of federal and provincial government priorities. Four other respondents stated that because the economies of the four western provinces are quite different from each other, it is sometimes difficult for WD to develop pan-western economic development strategies and initiatives that are agreeable to all four western provinces.

The WEPAs case study illustrates the impacts of WD's advocacy, collaboration & coordination efforts in western Canada.

WESTERN ECONOMIC PARTNERSHIP AGREEMENT (WEPA)

The objective of the WEPAs was to negotiate and sign new four-year, \$50M agreements (2008/09 to 2013/14) with each province. The WEPAs, which are equally cost-shared with each of the four western provinces, will allocate \$50 million in each province to targeted federal and provincial priorities, including Innovation, Entrepreneurship and Community Economic Development.

In negotiating and signing the agreements, WD played advocacy, collaboration and coordination roles. In terms of advocacy, WD contributed towards departmental efforts in advocating for renewal of the WEPA process within the federal system including approval by Treasury Board. In terms of collaboration and coordination, WD collaborated and coordinated with multiple stakeholders in the design, renewal, negotiation and approval of the agreements.

As a result, WD has negotiated and signed 4-year 50 Million agreements with each Western province. The 2003 \$50 million, 5-year WEPAs have provided support to approximately 40 projects on two strategic priorities – Building our Economy and Sustainable Communities. These current agreements are anticipated to continue federal-provincial cooperation and collaboration in promoting and supporting the long-term sustainable economic development through projects and initiatives that support the negotiated joint economic priorities.

4.5 Unexpected Outcomes of PAC Activities

Approximately 39% of all key informants indicated that there were unexpected outcomes from PAC activities, 16% of respondents indicated there were no unexpected outcome while the remaining 45% did not know or were not able to respond to this question (Table 4-16). The response rate was lower than 50% for all respondent groups except WD staff.

Table 4-16: Were there unexpected positive and/or negatives outcomes from PAC activities?

Type of Respondent	Yes	No	Don't know	Total
WD Staff	53%	13%	34%	100%
Other Federal Government	42%	8%	50%	100%
Provincial/Municipal Government	33%	13%	15%	100%
Academia and Think Tanks	31%	31%	38%	100%
Other Stakeholders	42%	17%	41%	100%
Overall	39%	16%	45%	100%

Most of the unexpected outcomes mentioned by respondents were positive and the most frequently mentioned unexpected positive outcomes were:

- the building of strong relationships with provincial government department representatives;
- positive recognition by other federal government departments of the contribution made by WD PAC activities; and
- surprise regarding the extent to which WD PAC activities contributed to the goals of client organizations.

Several case study respondents indicated the strong relationships built with stakeholders as a result of WD PAC activities as an unintended outcome.

The few negative unexpected outcomes mentioned most frequently by respondents were:

- Fluctuating resources devoted to IRB's;
- Lack of WD support for specific projects; and
- WD not doing enough to promote its successes.

SECTION 5: COST EFFECTIVENESS OF PAC ACTIVITIES

5.1 Extent to which WD PAC activities are cost-effective

In order to determine the extent to which PAC activities are cost-effective, the resources devoted by WD to PAC activities were compared to that of ACOA and CED-Q where appropriate data is available. It should be noted that both WD and ACOA operate in four provinces; while CED-Q operates in one province. The evaluation relied on aggregate information in individual RDA Report on Plans and Priorities for comparative analysis. However, each RDA may code its PAC activities and functions differently. As such, there are some limitations to the comparability of this data.

The human resources devoted to the PAC strategic outcome by ACOA are considerably greater than the other two RDAs. As indicated in Table 5-1, ACOA devoted a total of 110 FTEs to its PAC function in 2008/09 as compared to 86 for WD and 49 for CED-Q. However, as a percentage of total human resources devoted to PAC, WD devoted the highest proportion of total FTEs to its PAC function (21.3%) as compared to ACOA (14.5%) and CED-Q (11.9%).

Table 5-1: Comparison of PAC Human Resources (FTEs) by RDAs

	WD	ACOA	CED-Q
PAC 2008/2009 Human Resources (FTEs)			
Policy Research and Analysis	27	41	n/a*
Advocacy	20	36	n/a*
Collaboration and Coordination	39	33	n/a*
Total PAC FTEs	86	110	49
Total Departmental Human Resources (FTEs)	403	757	411
% PAC of Total FTEs	21.3%	14.5%	11.9%

Source: 2008/2009 RDA Report on Plans and Priorities (RPPs) *Breakdown of Data for CED-Q was not available as CED-Q does not allocate its FTEs devoted to the 3 different PAC functions.

Of the three RDA PAC functions, ACOA devoted the most human resources to policy research and analysis, while WD devoted the most human resources to collaboration and coordination. ACOA devoted more human resources to the advocacy function (36 FTEs) as compared to 20 person years by WD in 2008/09.

As indicated in Table 5-2, the 2008/2009 budgeted expenditures for the PAC strategic outcome by WD is \$12.7 million, which is almost the same as that budgeted by ACOA (\$12.2 million) and almost double the \$6.9 million budgeted by CED-Q. As a percentage of the total RDA budget, PAC budgeted expenditures for 2008/2009 amount to 4.5% for WD, 3.7% for ACOA and 2.4% for CED-Q. This indicates that there is not much difference between WD budgeted expenditures for PAC as compared to that of ACOA and CED-Q. It should be noted that CED-Q has recently decided to increase the amount of resources devoted to Research & Analysis, which may result in an increase in the total PAC expenditures as this research function expands.

Table 5-2: Comparison of PAC Expenditures by RDAs

	WD	ACOA	CED-Q
PAC 2008/2009 Budget (\$ millions)			
Research & Analysis	\$4.1	\$5.9	n/a
Advocacy	\$2.7	\$4.1	n/a
Collaboration & Coordination	\$5.9	\$2.2	n/a
Total	\$12.7	\$12.2	\$6.9
Total Departmental Budget (\$ millions)	\$284.1	\$328.2	\$287.4
% PAC of total budget	4.5%	3.7%	2.4%

Source: 2008/2009 RDA Report on Plans and Priorities

The amount budgeted for Research & Analysis by ACOA (\$5.9 million) is the largest of the amounts budgeted for the three different PAC functions for ACOA while Collaboration & Coordination (\$5.9 million) accounts for the largest proportion of WD PAC budget. Compared to ACOA, WD is devoting fewer resources to both Research & Analysis and more resources to Collaboration & Coordination activities.

As indicated in Table 5-3, approximately 62% of key informant respondents stated that WD PAC activities are very cost effective, 8% of respondents indicated that PAC activities are somewhat cost effective and there were not any respondents that indicated that PAC activities were not cost effective. The remaining 30% of respondents stated they do not know enough about PAC activities to determine if they are cost effective. Respondents that indicated lack of knowledge may likely be from outside WD as indicated by some case study respondents outside of WD mentioned that their lack of knowledge of WD PAC processes to comment on its cost-effectiveness. The most frequent reasons given by respondents for their comments that PAC is cost effective were as follows: PAC has very professional and dedicated staff; gets good leverage from projects funded; selects good projects; and gets good results.

Table 5-3: Are PAC activities cost effective and provide good value for money for taxpayers in Western Canada?

Type of Respondent	Very Cost Effective	Somewhat Cost Effective	Don't know	Total
WD Staff	82%	6%	12%	100%
Other Federal Government	38%	0%	62%	100%
Provincial/Municipal Government	65%	12%	23%	100%
Academia and Think Tanks	65%	15%	30%	100%
Other Stakeholders	56%	6%	38%	100%
Overall	62%	8%	30%	100%

Overall, case study respondents indicated that their initiatives were delivered in a relatively efficient and effective manner. Frequent responses provided on suggestions to improve both efficiency and effectiveness include:

- Improving on-going communications and discussions amongst stakeholders on the priorities, scope and implementation of initiatives and
- Starting renewal processes earlier in case of agreements such as WEPA's.

5.2 WD Investments in PAC

WD's investments in the PAC function are reflected in the work undertaken by WD senior executives and also in the regions and WD headquarters by PAC staff. These investments cannot be quantified for the purposes of this evaluation. Specific projects related to G&Cs and O&Ms are sometimes identified and classified in WD database as exclusively PAC related projects.

Of the projects identified in the database and within the period of the evaluation (2003/04 to 2007/08), WD invested a total of \$1,625,988 on 29 G&C projects. For each WD dollar invested, the leveraged amount was \$5.9. Table 5-4 indicates the leveraged amounts across the PAC activities. WD also invested \$2,480,542 in 151 O&M projects across all regions for which total project costs were not available to determine leveraged amounts.

Table 5-4 PAC Leveraging Amounts for 2003/04 to 2007/08 G&C projects

PAC Activity	Total Costs	WD Funding	% Leveraged (of total project)	For each WD one dollar, WD leveraged
Collaboration & Coordination	\$1,845,229	\$189,074	89.8	\$9.8
Advocacy	\$120,802	\$20,000	83.4	\$6.0
Research & Analysis	\$7,701,749	\$1,416,914	81.6	\$5.4
Grand total (All activities)	\$9,667,780	\$1,625,988*	83.2	\$5.9

*It should be noted that significant investments are also made in PAC activities through the work of WD Senior Executives, and the PAC staff, which cannot be quantified and reflected in the table.

Evidence gathered through document review (Due Diligence Reports) and interviews from the case studies indicates most Research & Analysis projects such as the Next West initiative would not have proceeded without WD funding. Various reasons cited include lack of funding for the initiative, inability of clients to be able to coordinate funding from other federal departments, inability of the client to coordinate project needs with federal government priorities, and inability of other federal departments (based in Ottawa) to access information on the initiative on a timely basis.

Initiatives such as the Alberta Federal Council and the Asia Pacific Gateway and Corridors Initiative, which had other lead federal departments as partners, may have proceeded without WD funding. However, the scope and the number of initiatives would have been reduced and the success would have been limited. For other projects that would have proceeded without WD funding, the indication was that, the timing would have been delayed, the quality of research limited, and the scope reduced. Some non-WD interviewees from the case studies further

indicated that if WD had not financially supported their initiative, the number of stakeholders engaged would have been significantly less.

5.3 Factors that Facilitated/Impeded PAC Activities to Achieve Desired Outcomes

The major factors internal to WD that facilitated PAC achieving its desired outcomes mentioned most frequently by WD staff were: senior management endorsement; and PAC regional and HQ staff communicate sharing information (e.g. Directors of Policy, Planning and External Relations bi-weekly calls). The major factors internal to WD that have impeded PAC achieving its desired outcomes mentioned most frequently by WD staff are: decentralization of the policy function; lack of consistency of PAC activities from one regional office to another; lack of sufficient target programs/priorities; and insufficient integration of the policy and program side of WD.

The major factors frequently mentioned by key informant interviewees and case study respondents that facilitated PAC achieving desired outcomes include:

- Good relationships and engagement with federal and provincial governments, and with the industry in Western Canada;
- WD broad mandate and flexibility;
- Economic downturn has facilitated a collaborative working arrangement between federal and provincial governments; and
- Strong research and policy rationale for initiatives.

The major factors cited as potentially impeding PAC achieving desired outcomes mentioned include:

- Limited human resource capacity to enhance communication;
- Lack of a communication plan to disseminate results and engage stakeholders;
- Lack of consensus by western Canadian provincial governments on issues; and
- Frequent changes in Ministers/government.

When respondents from the key-informant interviews and case studies were asked whether there is other more cost-effective/ efficient approaches or alternatives that would achieve PAC objectives, the number of responses received was low. Some of the most frequent responses include:

- Increasing communication processes;
- More streamlined approval process/more autonomy for local offices;
- More centralized organization structure/greater coordination;
- More targeted focus on PAC objectives/measurable outcomes;
- More resources for PAC activities; and
- Higher public profile for WD.

SECTION 6: PAC PROGRAM DESIGN AND DELIVERY

6.1 Effectiveness of WD PAC Organizational Structure

The previous Director General of Policy reported directly to the Deputy Minister of WD. This policy unit in WD head office had a total of 10 staff prior to September 2008. In September 2008, the organization structure was changed slightly and the Executive Director, Policy, Planning and Performance Management replaced the Director General, Policy position and reports directly to the Deputy Minister. The remaining WD policy staffs are located in the regional offices and the Ottawa liaison office. The staff in the regional offices and the Ottawa liaison office report to the Director of Policy, Planning and External Relations who reports to the Assistant Deputy Minister in each of these offices. There is no direct reporting relationship between the policy staff located in regional offices and the policy staff in WD headquarters or between the PAC staff in the Ottawa liaison office and the policy staff in WD headquarters.

Key informant respondents (55%) indicated that the current organizational structure for PAC activities is effective, 29% of respondents stated that the organization structure could be improved and 16% of respondents did not know or did not respond to this survey question. As indicated in Table 6-1, similar responses were obtained from the different respondent groups.

Table 6-1: Is the current organization structure for PAC activities effective?

Type of Respondent	Yes	Could be Improved	Don't know	Total
WD Staff	65%	29%	6%	100%
Provincial/Municipal Government	50%	23%	27%	100%
Other Federal Government	54%	31%	15%	100%
Academia and Think Tanks	55%	35%	10%	100%
Other Stakeholders	50%	31%	19%	100%
Overall	55%	29%	16%	100%

The strengths of the current organization structure for PAC activities mentioned most frequently by respondents were:

- Regional offices are key to local knowledge and ability to act; and
- WD headquarters office is located in western Canada.

The weaknesses of the current organization structure for PAC activities mentioned most frequently by respondents were:

- Lack of sufficient coordination/communication between regional offices, Ottawa liaison office and headquarters;
- Lack of clarity between roles of regional offices, Ottawa liaison office and headquarters;
- Different PAC priorities from province to province;
- Approval process is too slow due to lack of autonomy/authority of regional offices;
- Need better way to address pan-western issues; and
- Not cost effective to have PAC resources dispersed in six offices.

The improvements to the current organizational structure for PAC activities mentioned most frequently by respondents were:

- Improve coordination/communication between regional offices, Ottawa liaison office and headquarters;
- Clarify/align roles of regional offices, Ottawa office and headquarters;
- Streamline approval process/delegate more autonomy/authority to regional offices;
- More centralization of PAC activities; and
- Develop better way to address pan-western issues (e.g. centralize this activity to HQ).

There is a high degree of consensus among WD staff that there are functional mechanisms (policies and procedures) in place to avoid duplication/overlaps among PAC roles and responsibilities. Some of the mechanisms to reduce overlap/duplication mentioned most frequently by WD were as follows:

- Directors of Policy, Planning and External Relations telephone calls every 2 weeks;
- Executive Committee coordination/guidance;
- Written terms of reference for PAC;
- WD working groups on key policy themes (e.g. Innovation Team, Trade and Investment Team, Research Group, Asia Pacific Group, IRB pan-western team);
- Documents such as the PAC corporate plan, research plan, Advocacy Framework, etc; and
- Semi-annual planning sessions and annual meetings to review progress against plans and update/identify new priorities for policies.

There is a high degree of consensus among WD staff that there are policies and procedures in place for setting priorities and agendas for PAC. Some of the mechanisms for setting priorities and agendas for PAC mentioned most frequently by WD staff are as follows:

- Directors of Policy, Planning and External Relations telephone calls every 2 weeks;
- Executive Committee coordination/guidance;
- WD business and strategic planning process;
- Documents such as the Report on Plans and Priorities, regional and WD business plans;
- PAC corporate plan, research plan, advocacy framework, etc; and
- Semi-annual planning sessions and annual meetings to review progress against plans and update/identify new priorities for policies.

Most WD staff indicated that there are policies and procedures for allocating resources among PAC functions. The mechanisms used to allocate overall resources (i.e. FTEs, G&Cs, etc.) to PAC functions include the planning and strategic activities and documents referred to above. Several respondents indicated that a bottom-up approach is also employed to determine what the priorities are and the resources are then allocated at the Executive Committee level for these specific priorities. Presently, PAC resources are not allocated separately to each of the three PAC functions (i.e. policy, advocacy and coordination). This is due to the inter-relatedness of the three functions.

The average rating of WD staff regarding the extent to which the respective business plans are integrated among the PAC functions/units was 3.8 on a scale of 1 to 5. Some respondents

indicated that there exists further room for improvement including greater focus on the implementation of the business plans.

6.2 Effectiveness of WD PAC lines of Communication

About 82% of the WD staff interviewed stated that the lines of communications are adequate and effective within PAC (WD regional offices; WD Ottawa; WD HQ Corporate Policy). Some of the primary communications methods used for internal PAC communications are bi-weekly telephone calls between Directors of Policy, Planning and External Relations in each region and headquarters; meetings of WD working groups on key policy themes; annual and semi-annual meetings and planning sessions; and informal calls between WD staff. Approximately 69% of the WD staff interviewed stated that the lines of communications are adequate and effective between PAC, WD Executive Committee and the Minister, 12% indicated they are not adequate and effective while 19% of respondents did not know or did not respond to this survey questions. The areas of improvement in communications between PAC most frequently mentioned by WD staff are to improve the frequency and extent of communications between regions and headquarters and to formalize the existing communications mechanisms (e.g. set agendas, report against goals, etc.).

WD PAC communications could benefit from the strengths mentioned by ACOA on its PAC activities, which include:

- Establishment and maintenance of a policy network where senior policy staff from each office meet on a regular basis; and
- Convening a policy forum every couple of years where all of the policy staff are brought together.

As indicated in Table 6-2, 72% of key informant respondents indicated that the lines of communications are adequate and effective between PAC and other organizations external to WD. The highest proportions of respondents who agreed were WD staff (82%) and business representatives (83%). The lowest percentage of agreement was for academia/think tank representatives (60%) and other stakeholders (56%).

Table 6-2: Are the lines of communications adequate and effective between PAC and other organizations external to WD?

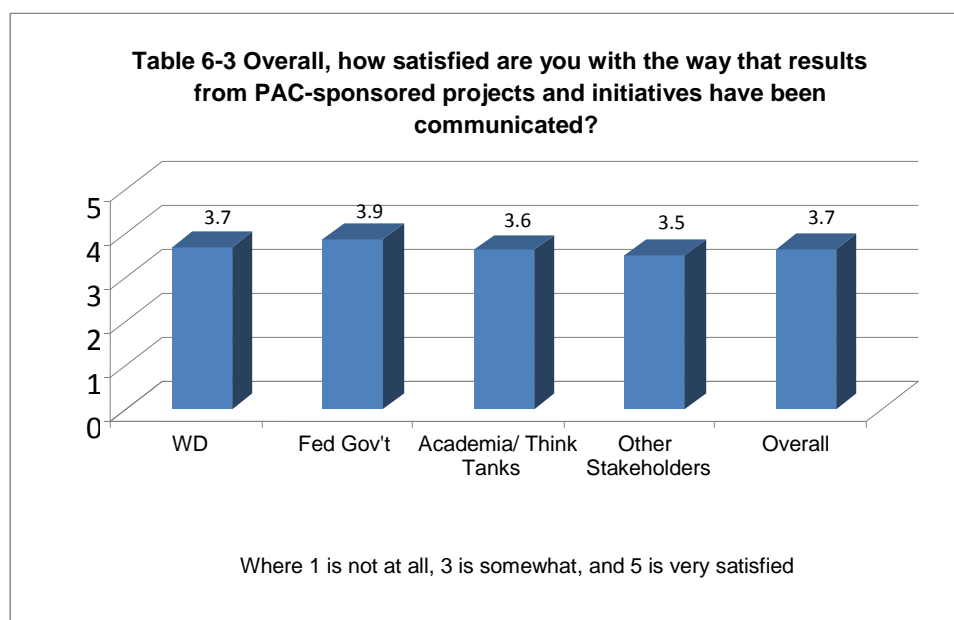
Type of Respondent	Yes	No	Don't know	Total
WD Staff	82%	6%	12%	100%
Provincial/Municipal Government	73%	12%	15%	100%
Business Organizations	83%	13%	4%	100%
Academia and Think Tanks	60%	25%	15%	100%
Other Stakeholders	56%	31%	13%	100%
Overall	72%	17%	11%	100%

Overall, the most frequent responses of individuals interviewed regarding the areas for improvement in communications between PAC and organizations external to WD were:

- More frequent communication;

- Provide more information on PAC activities and results;
- More contact/input from stakeholders on a regular basis (e.g. provide input on WD strategic plans;
- More formal communication; and
- Greater communication of WD vision/priorities.

Most WD staff (88%) stated that there is a process in place for communicating the results of PAC activities and projects internally and externally. But 41% of WD staff indicated that insufficient effort is devoted to communicating results (e.g. research reports) externally. As indicated in Table 6-3, the average satisfaction rating of respondents regarding the way that results from PAC-sponsored projects and initiatives have been communicated was 3.7 on a scale from 1 to 5. Federal government representatives (3.9) other than WD provided the highest average satisfaction rating while other stakeholders (3.5) had the lowest.



Interviewees other than WD representatives from the case studies were mostly unaware of formal processes in place to communicate results of their initiatives.

SECTION 7: RECOMMENDATIONS

Recommendations

Based on the findings in the report, several themes emerged that led to the formulation of the following five recommendations.

Performance Measurement

- 1. The department should review and assess its performance measurement framework under PAC to determine and implement performance measures that cover the range of PAC outcomes.**
 - Appropriate performance indicators incorporated within the departmental performance measurement system would ensure that results from PAC-related G&C and O&M projects can be reported in departmental performance reports.

Operational Structure

- 2. The department should re-examine and clarify roles and responsibilities within and among the various PAC units at WD.**
 - Findings indicated that among the issues examined in this evaluation, there was a relatively low level of stakeholder support for the effectiveness of the current structure for PAC activities. Among the issues identified were: lack of sufficient coordination/communication between regional offices, Ottawa liaison office and headquarters; lack of clarity between roles of regional offices, the Ottawa liaison office, and headquarters; and different PAC priorities from province to province.

Communication

- 3. The department should improve the frequency and extent of communications and coordination between PAC regional, the Ottawa Liaison, and the Corporate Policy, Planning and Performance Measurement offices.**
 - The establishment and maintenance of a policy network where senior policy staff from each office meet on a regular basis, and convening an annual policy forum among the various policy units would help to improve communications and coordination.
- 4. The department should develop and implement a communication strategy to disseminate the results of Research & Analysis projects.**
 - A communication strategy developed and implemented across WD to disseminate the results of Research & Analysis conducted or supported within the PAC function would enhance the availability of research results to various stakeholders to influence policy decisions for Western Canada.

Future Direction for WD PAC Activities

- 5. The department should formally acknowledge that PAC functions play a supporting/enabling role in relation to the entrepreneurship and innovation, and the community economic development strategic objectives for WD.**
 - The scale and scope of PAC activities positions them to support other key WD strategic outcomes, but playing that role does not require a separate strategic outcome for PAC activities. The department must consider how best to position the PAC functions within its current PAA.
 - As WD remains a major conduit for federal funding to Western Canada, a robust and well-resourced PAC function will be important to support new and existing programs and funds.