



Evaluation of AgriMarketing, Stream D: Assurance Systems - Summary



PURPOSE

- To present the evaluation report and management response and action plan for approval.

ABOUT THE PROGRAM

- AgriMarketing is one of the three federal-only non-BRM programs under Growing Forward 2. It is comprised of four streams (A, B, C and D). The Assurance Systems program is Stream D.
- The Assurance Systems program focuses on supporting the Canadian agriculture, agri-food and agri-based products industry to meet buyer and market demands for assurance and enhance competitiveness through support for the development of Canadian assurance systems or standards.
- The Assurance Systems program is comprised of three components:
 - The National Assurance Systems Development component that provides Grants and Contributions (G&C) funding to eligible recipients to help the sector increase its capacity to develop and maintain assurance systems in five areas: (1) food safety, (2) animal and plant health surveillance, (3) market attributes, (4) traceability, and (5) integration of systems.
 - The National Livestock Traceability Operations Component that provides operational funding (Vote 1) to the Market and Industry Services Branch (MISB), AAFC, to facilitate engagement between FPT governments, the Canadian Food Inspection Agency (CFIA) and industry to support the establishment of a National Agriculture and Food Traceability System beginning with livestock and poultry in Canada.
 - Support is provided to CFIA, via a Memorandum of Understanding, to deliver the Growing Forward 2 Assurance Systems Stream Technical Expertise Initiatives. Funding (Vote 1) goes towards: (1) the delivery of the Food Safety Recognition Program (FSRP), (2) the development, maintenance and update of national biosecurity standards, and (3) the development of traceability regulatory infrastructure in Canada.

EVALUATION SCOPE AND METHODOLOGY

- The Evaluation of the Assurance Systems program was conducted in 2015-2016/2016-2017 as part of AAFC's Five-Year Departmental Evaluation Plan (2015-2016 to 2019-2020). The evaluation fulfils the requirements of the *Financial Administration Act* and the Treasury Board *Policy on Evaluation* (2009).¹

¹ Evaluation also fulfils the requirements under the Policy on Results (2016).

- The evaluation used multiple lines of evidence (including literature review, document review, financial review and key informant interviews) to assess program activities undertaken and delivered from April 2013 to March 2016.

EVALUATION FINDINGS

- **Relevance:**

- The program remains relevant as it enhances the industry's ability to maintain consumer confidence and entry into domestic and international markets. The program also enables the industry to realise cost savings by reducing the risks associated with plant and animal health and food safety incidences. In addition, the industry can benefit from CFIA's international reputation as a competent authority for attesting food safety schemes.
- The program is aligned with departmental and federal government priorities related to innovation, competitiveness and market development. The evaluation found that government plays an appropriate role in supporting the industry in creating national systems and standards and ensuring plant, animal and human health.

- **Effectiveness:**

- The Assurance Systems program is on track to meet its planned outputs.
 - The exception to the achievement of outputs is the publishing of proposed regulatory amendments, related to traceability, to the *Health of Animal Regulations* in Canada Gazette (for bison, cattle, sheep, goat and cervids), which is behind schedule.
- There are examples of how G&C projects have incrementally built upon previously funded projects (under Growing Forward) to attain or expand market access. However, the data was not sufficient to conclude that funding helped sustain expanded market access under Growing Forward 2 funding. More time will likely need to pass, as systems are completed and implemented, to better assess this outcome.
- Industry's ability to access markets is, to a large extent, dependent on the industry implementing the assurance systems and standards that have been developed. The evaluation determined that the program's influence on market access could go beyond supporting the development of assurance systems and standards to also facilitate implementation. While support for implementation is deferred to provincial and territorial governments, the evaluation identified key enabling factors that could facilitate the implementation of systems and standards.

- **Efficiency:**

- AAFC and the CFIA have developed efficient and effective approaches to fostering information sharing between provincial and territorial governments and industry on the development of traceability regulations, particularly through the Traceability Task Team and the Industry-Government Advisory Committee forums, in which knowledge and best practices have been shared.

- Over the course of Growing Forward 2, core strategy elements of the National Livestock Traceability System have been, and continue to be, implemented. This includes: (1) CFIA finalising amendments to the *Health of Animals Regulations* for their publication in Canada Gazette, and (2) MISB and CFIA ensuring that the Traceability National Information Portal has access to all data sources, in anticipation of its use by authorized industry and government.
- At the time this evaluation was conducted, one unresolved gap remained with industry on CFIA's proposed amendment to traceability regulations. However, this gap has been resolved. CFIA has concluded its consultations with industry and feedback has been incorporated into the regulatory amendments to the *Health of Animal Regulations*. Publication in Canada Gazette 1 is scheduled for fall 2017.
- Also, at the time this evaluation was conducted, the Traceability National Information Portal was not fully populated with industry and government information.
- AAFC and CFIA have established good formal and informal communication channels that facilitate the delivery of the program; however, they have been challenged by a lack of clarity on the roles and responsibilities delineated in the MOU where there is a shared responsibility.
- The evaluation determined that the Assurance System program has been successful in supporting the sector in developing assurance systems and standards but it is dependent on provincial-territorial governments to support implementation and/or industry to voluntarily implement systems and standards.
- Regarding the delivery of program outputs, the National Assurance Systems Development G&C component has delivered outputs on target with fewer resources than planned. For example, actual G&C expenditure was 53% lower than planned for the three-year period from April 2013 to March 2016. Interviews with government officials and industry stakeholders offer some explanation for reduced G&C spending:
 - The program was not sufficiently visible to organizations that did not have prior awareness of it.
 - While industry organizations considered the 75:25 (government: funding recipient) ratio to be appropriate, smaller, resource-limiting organizations suggested that the recipient share could be lower than 25%.

RECOMMENDATIONS AND MANAGEMENT RESPONSE/ACTION PLAN

- **Recommendation 1:** Moving forward in designing the Assurance System program under the Next Policy Framework, Programs Branch, in working with the Market and Industry Services Branch and the Strategic Policy Branch, should foster closer collaboration and coordination with provincial and territorial governments and industry to:
 - Facilitate the implementation of assurance systems and standards, and;
 - Enable greater uptake of the program.
- **Management Response and Action Plan 1:** Agreed. Programs Branch agrees that closer collaboration and coordination with provincial and territorial governments will

facilitate the implementation of assurance systems and standards and will encourage greater awareness of the program. Programs Branch will revisit the mandate and operation of the existing Federal, Provincial and Territorial Assurance Coordination Working Group to further position it to be a forum for greater information sharing and consultation regarding program design, delivery, performance and project implementation.

- Target Date: December 2018
- Responsible Position: Director, Competitiveness Division, Programs Branch.
- **Recommendation 2:** In support of the commitment made by the FPT agriculture Ministers in 2006 to phase in the livestock component of the *National Agriculture and Food Traceability System*, the Market and Industry Services Branch, in partnership with CFIA, should ensure that the Traceability National Information Portal is available to authorized industry and governments following the implementation of new regulations.
- **Management Response and Action Plan 2:** Agreed. MISB will continue to work with the CFIA through the Traceability National Information Portal Management Committee to ensure integration of industry and provincial data systems. A User Acceptance Test (UAT) is planned to take place near the end of March 2018 to ensure all system integrations have been completed successfully.
 - Target Date: June 2018
 - Responsible Position: Director, Horticulture and Cross Sectoral Division, Market and Industry Services Branch
- **Recommendation 3:** In the event that an MOU is established between AAFC and CFIA for the Next Policy Framework, Programs Branch should build upon the effective communication channels that already exist and ensure that shared responsibilities are clearly defined.
- **Management Response and Action Plan 3:** Agreed. Programs Branch agrees that leveraging existing communication channels will benefit the development of the MOU between AAFC and CFIA for the Next Policy Framework.

Programs Branch will review the existing communication channels and will adjust or reorient these channels if or as required to ensure roles and responsibilities between program, service and policy areas are clearly established and documented in the MOU with CFIA.

- Target Date: December 2018
- Responsible Position: Director, Competitiveness Division, Programs Branch