



Treasury Board of Canada
Secretariat

Secrétariat du Conseil du Trésor
du Canada

Handbook for Regulatory Proposals:

Performance Measurement and Evaluation Plan

December 2009



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Table of Contents

Introduction	1
What are the performance measurement requirements under the <i>Cabinet Directive on Streamlining Regulation</i> ?	1
What is the purpose of a Performance Measurement and Evaluation Plan?.....	1
When is a Performance Measurement and Evaluation Plan required?	2
Where are the regulatory activities situated in the department's Program Activity Architecture and Performance Measurement Framework?.....	2
How to complete a Performance Measurement and Evaluation Plan Template	3
1. Description and Overview of the Regulatory Proposal.....	3
2. Logic Model	4
3. Indicators.....	5
4. Measurement and Reporting	7
5. Evaluation Strategy	9
6. Linkage to the Program Activity Architecture	10
7. Regulatory Affairs Sector Review	10
8. Assistant Deputy Minister Sign-off	10
9. Departmental Contact	11
What needs to be in the Regulatory Impact Assessment Statement?	11
Who can provide advice and assistance and where can you get training?	12
Step-by-step summary of the Performance Measurement and Evaluation Plan process	12
Contact information.....	14
Appendix A: Performance Measurement and Evaluation Template	15
Appendix B: Developing a logic model for regulatory activities.....	18

Introduction

This handbook outlines the purpose of a Performance Measurement and Evaluation Plan (PMEP) for regulatory activities and provides guidance for its development and for completing the PMEP Template. The handbook supports the implementation of the *Cabinet Directive on Streamlining Regulation* (CDSR).

The intended users of this handbook are government officials who need to develop and implement a PMEP for their regulatory proposals as well as the analysts in the Regulatory Affairs Sector of the Treasury Board of Canada Secretariat (Secretariat) who perform a challenge function.

Throughout the handbook, regulatory activities are understood to mean the regulation(s), the regulatory program, and the regulatory program's related activities, such as communications, inspection, and enforcement.

What are the performance measurement requirements under the *Cabinet Directive on Streamlining Regulation*?

The requirements for carrying out performance measurement for regulatory activities are outlined in Section 4.6 of the CDSR, "Measuring, evaluating, and reviewing regulation." They are also outlined in the Regulatory Impact Analysis Statement (RIAS) Template.

What is the purpose of a Performance Measurement and Evaluation Plan?

The purpose of a PMEP is to ensure that regulatory activities continue to meet their initial policy objectives and are accordingly renewed on an ongoing basis. A PMEP provides a concise statement or road map to plan, monitor, evaluate, and report on results throughout the regulatory life cycle. When implemented, it helps a regulator:

- ▶ ensure a clear and logical design that ties resources and activities to expected results;
- ▶ describe the roles and responsibilities of the main players involved in the regulatory proposal;
- ▶ make sound judgments on how to improve performance on an ongoing basis;
- ▶ demonstrate accountability and benefits to Canadians;
- ▶ ensure reliable and timely information is available to decision makers in the regulatory organizations and central agencies as well as to Canadians; and
- ▶ ensure that the information gathered will effectively support an evaluation.

When is a Performance Measurement and Evaluation Plan required?

Before submitting a regulatory proposal, departments and agencies are expected to conduct an assessment, which is based on the and performed in collaboration with the Secretariat's Regulatory Affairs Sector, to determine the level of impact (Low, Medium, or High) of the proposed regulation.

Completion of a PMEP Template is required when the answer to one or more of questions 1 through 6 in the Triage Statement is "High." For regulatory proposals of Medium impact, completing a PMEP Template is optional and left to the discretion of the regulatory organization.

Where are the regulatory activities situated in the department's Program Activity Architecture and Performance Measurement Framework?

When developing the PMEP, it is important to ask the following question: How does this PMEP fit into the departmental Management, Resources, and Results Structures (MRRS), specifically the Program Activity Architecture (PAA) and the Performance Measurement Framework (PMF)?

Regulatory activities would be represented, when appropriate, in a departmental PAA and supporting PMF as a program's¹ lowest level component, i.e., a program's sub-subactivity level (see graphic under Linkage to the Program Activity Architecture). Where regulatory activities are significant to understanding why and how funds are being spent to achieve a program's stated expected results, they must be mentioned in the program description unless a compelling rationale for omitting them is provided. Program managers will need to consider how performance indicators supporting regulatory activities factor into a program's PMF. For example, regulatory activity indicators may support a program output tracked in the PMF or a program's expected result. Managers are strongly encouraged to consult with key corporate groups (e.g., heads of Evaluation, program performance measurement teams or units) to determine the most appropriate way to align performance indicators within the MRRS.

To ensure the departmental PAA and PMF reflect a new PMEP, they should be updated in accordance with the next scheduled review of the PAA and PMF, but only after the regulation has been published in *Canada Gazette*, Part II.

1. A program is defined as a group of related resource inputs and activities that are managed as a budget unit to address one or more specific needs and to achieve certain expected results.

How to complete a Performance Measurement and Evaluation Plan Template

This section contains a description of the nine core components of the PMEP Template (see Appendix A). Definitions related to performance measurement can be found in the Results-Based Management Lexicon. Information from the PMEP Template is carried forward into the Performance measurement and evaluation section of the RIAS. If the regulatory proposal involves a Treasury Board submission, the PMEP should be consistent with that submission (see *A Guide to Preparing Treasury Board Submissions*).

1. Description and Overview of the Regulatory Proposal

The introductory component of a PMEP should provide a thorough description of the problems and risks that the regulatory proposal aims to address, as identified in the Triage Statement. This section should also specify the proposed regulation's target audience, the intended beneficiaries, and the behavioural changes it seeks to bring about among specific groups. This element of the PMEP Template is linked to the Issue, Objectives, and Description sections of the RIAS.

The questions to be answered are as follows:

- ▶ What is the issue the regulatory proposal aims to address?
 - What evidence exists to show that there is an issue?
 - Why is the issue important?
- ▶ In concrete terms, what are the objectives of the regulatory proposal?
- ▶ How will the regulatory proposal achieve the objectives for solving or mitigating the issue?
- ▶ Who are the target audiences (i.e., regulated individuals and organizations) of the proposed regulation?
- ▶ Who are the intended beneficiaries of the proposed regulation (e.g., Canadian public, specific groups within the Canadian public such as children under the age of four)?
- ▶ What behavioural changes in the target audience need to be addressed (e.g., awareness, understanding, capacity, compliance)?

This section should also describe how the proposed regulation fits into the bigger picture (i.e., how it contributes to the regulatory program, the department's strategic outcomes (PAA), other overarching initiatives). Furthermore, identify if and how the regulatory activities cut across multiple regulatory organizations. Finally, indicate how the information summarized and reported will be used to improve the performance of the regulatory activities.

2. Logic Model

A logic model, which is composed of a graphic and accompanying text, tells the story of regulatory activities. It connects the inputs (resources) and activities (what one does) to the outputs (products or services generated from the activities), the groups reached (regulated parties or beneficiaries), and the expected outcomes of the initiative (the sequence of changes among groups outside the control of the regulatory organization). In its simplest form, the logic model is composed of the following five logically interrelated components.

- ▶ **Inputs:** The human and financial resources used to undertake the regulatory activities and consequently produce outputs (i.e., services and products). Inputs include personnel, physical facilities, equipment, materials, and funding. In some cases, they include the legislative or regulatory authority necessary to undertake regulatory activities.
- ▶ **Activities:** Actions that the department or agency undertakes to produce its outputs. For instance, inspection and licensing are two regulatory activities that are commonly found in regulatory organizations.
- ▶ **Outputs:** The products or services produced by regulatory activities. Outputs are deliverables wholly under the control of an organization. The results that occur beyond outputs are not within the full control of the regulatory organization.
- ▶ **Target groups (reach):** The individuals, groups, or organizations that the regulatory activity is intended to reach and influence. This includes both regulatees (i.e., those subject to regulations) and other key groups who are important to the success of the initiative (e.g., public, private, and not-for-profit organizations, other institutions, and individual Canadians, among others).
- ▶ **Outcomes:** Results attributable to a regulatory organization. Outcomes are not the direct result of a single regulatory activity; rather, they are affected by what the organization does. Outcomes are further qualified as immediate (also known as direct), intermediate, or ultimate and are linked to the target groups that the regulatory organization is trying to influence.

The problems or risks identified in Section 1 of the PMEP Template help to define the inputs, activities, outputs, and outcomes stated in the logic model. See Appendix B for more on how risks and problems set the vital context for results (this is also covered in a course offered at the Canada School of Public Service).

In developing the logic of the regulatory proposal, organizations can draw on other departmental documents related to MRRS. Where possible, the logic model for the regulatory activity should be linked to related programs and the strategic outcomes of the regulatory organization.

Logic models should be reviewed and validated in conjunction with the appropriate department or agency personnel to confirm the accuracy of the program logic and to facilitate buy-in among those who will be involved in implementing and maintaining the ongoing performance measurement monitoring system. In the spirit of ongoing consultation and engagement with stakeholders, departments and agencies are encouraged to involve, when appropriate, external stakeholders with an interest in the regulatory activity.

3. Indicators

An indicator is a quantitative or qualitative means of gauging an initiative's performance or the progress made toward its expected desired results. Indicators operationally describe the intended output or outcome one is seeking to achieve over time.

Indicators should be developed from the logic model in the PMEP Template. Indicators need to be prioritized and limited in number when selected for monitoring. It is more effective to measure the critical few rather than the trivial many. A small set² of highly meaningful indicators need to be specified to track overall performance with respect to the intended outcomes and policy objectives of the regulatory proposal (e.g., health, safety, security, environmental protection, business and trade, Aboriginal prosperity). Where possible, these indicators should be consistent with, and ideally support, indicators found in the department's PMF.

Indicators should be expressed as numerical forms when possible (e.g., as raw numbers, averages, percentages, rates, ratios, or indexes).³ Where qualitative indicators are used, they should be objectively verifiable. Certain criteria should be kept in mind when selecting indicators. Indicators should be:

- ▶ Relevant and valid;
- ▶ Prioritized and limited in number;
- ▶ Balanced and comprehensive;
- ▶ Meaningful and understandable;
- ▶ Timely and actionable; and
- ▶ Cost-effective to measure.⁴

2. Regulatory organizations will have to use their judgment to determine how many indicators are needed.

3. The expression of indicators in numerical form does not preclude the use of qualitative information, as shown in the examples found later in this section.

4. Note that in practice, it is not possible to maximize all criteria simultaneously; it is often necessary to trade off performance on some criteria against improvements on other criteria.

HINT: Developing Indicators—A Short-Hand Approach

When developing performance indicators, it is useful to ask the following: What would you see or hear if the expected results you have described are being achieved? The answer to this question should provide you with strong guidance as to what the indicator of performance should be.

Once you have answered the question, you will want to define the indicator as follows:

1. Suggest the measure of change, such as its number, proportion, percentage, rate, ratio, amount, or level.
2. Specify who is changing. This may include the population target group, program participant, client, individual, organization, agency, or community. The more you specifically describe the group who should be changing or from whom you expect a reaction, the more precise the indicator.
3. Specify what is changing or happening. This may include changes to awareness, attitude, knowledge, skill, aspirations, commitments, behaviours, or practices. It may also include simple reactions such as perception or satisfaction. Note that this may not always be a change per se; sometimes, one is seeking to maintain existing reactions and behaviours.

A key principle for developing indicators is that they should always follow the logic of an initiative's expected results. Examples are as follows:

Level	Examples
<p>Ultimate Outcomes</p> <p>The highest level outcome that can be reasonably attributed to a policy, program, or initiative and that is the consequence of one or more intermediate outcomes having been achieved. Such outcomes represent a change of state in a target population.</p>	<ul style="list-style-type: none"> • Level of health-related incidence (e.g., incidents per 100,000 of the population) • Level of environmental degradation (e.g., level of soil erosion, air and water pollution counts) • Level of economic activity or growth (e.g., percentage of change in the GDP, in direct foreign investment, in employment)
<p>Intermediate Outcomes</p> <p>An outcome that is expected to logically occur once one immediate outcome (or more) has been achieved.</p>	<ul style="list-style-type: none"> • Number of inspected enterprises found to be in compliance with regulation x • Level of emergency preparedness (rated as 1: fully up to standard—no improvement needed; 2: partially up to standard—needs minor adjustments; 3: needs major improvements) for the service facilities in region y • Percentage of inspected enterprises found to be in compliance with sections a, b, and c of Act x • Percentage of inspected enterprises found to be in non-compliance with sections a, b, and c of Act x and that will who move into (full) compliance within one year

Level	Examples
<p>Immediate Outcomes</p> <p>An outcome that is directly attributable to the outputs of a policy, program, or initiative.</p>	<ul style="list-style-type: none"> • Percentage of target enterprises that attended information session • Percentage of information (specific report) users stating that they found the information at least somewhat valuable • Level (exceeded, met, did not meet) of support for agreed terms of MOU from the point of view of signatory A • Number of downloads of safety information from organization's website
<p>Outputs</p> <p>Direct products or services stemming from the activities of an organization, policy, program, or initiative and usually within the control of the organization itself.</p>	<ul style="list-style-type: none"> • Numbers of communications, events, inspections, citations, etc. • Deliverable produced or achieved (yes/no) within expected time frame

4. Measurement and Reporting

After selecting a set of indicators, the next step is to establish an approach for ongoing performance measurement and reporting. It is common to summarize a measurement and reporting strategy using a tabular format. The table would include a description of the element being measured (output or outcome), the indicator itself, a description of the data source for the indicator and the methods used to collect the data, a description of how a baseline measurement will be established (existing information or new baseline based on first measurement), performance targets for the indicator, a description of how often the indicator will be measured, and a description of who is responsible for measurement and data collection. Much of this data should be available in the regulatory proposal's cost-benefit analysis and RIAS. The table could also address all levels of the PMEP's logic model (e.g., output and immediate, intermediate, and ultimate outcomes).

To facilitate the update of the PMF, the following table should be used in the PMEP Template; however, it could be expanded to define other elements beyond what is required to update the PMF.

Strategic Outcome / Expected Result / Output	Performance Indicator	Data Source	Frequency of Data Collection	Target	Date to Achieve Target

The choice of a data source and collection method will depend on the type of performance indicators and the purpose of the information being gathered. The choice of a data source will also depend on whether the information is being collected on a regular basis (for ongoing monitoring purposes) or periodically (as part of an evaluation). Data can be collected from various sources, as follows:

- ▶ Administrative data—Information that is being collected through day-to-day activities, such as permit and licensing applications, audits, inspections, and enforcement. Regulatory organizations should be mindful of the administrative burden that data collection may place on businesses and individuals.
- ▶ Primary data—Information that is collected through specialized data collection exercises, such as surveys, focus groups, expert panels, or specialized evaluation studies.
- ▶ Secondary data—Data that have been collected by other organizations, such as national statistics on health and economic status.

Baseline measurements establish critical reference points from which subsequent changes in indicators can be measured. If reliable historical data on the performance indicator exists, they should be used. Otherwise, it will be necessary to collect baseline data at the first opportunity.

Performance targets consist of projected indicator values for quarterly, semi-annual, or annual performance periods. The target for the regulatory proposal should relate to the analysis (e.g., cost-benefit analysis and risk assessment) that supported the decision to regulate in the first place. Targets can also be set for achieving certain levels of performance in the longer term. Target measurements can be used as interim information about how particular indicators are working. Such information can also be useful for annual reporting and budgeting exercises. Suggested guidelines for setting targets include the following:

- ▶ Setting targets based on previous performance (i.e., the level at which performance is no longer deemed “a problem”);
- ▶ Setting targets using the performance level achieved by the most successful performance to date;
- ▶ Setting targets using the performance level achieved by averages of past performance;
- ▶ Setting targets using performance levels achieved by other jurisdictions or by private firms with similar activities;
- ▶ Making sure that the targets chosen are feasible given the program’s budget, staffing, and anticipated influence; and
- ▶ Identifying developments—internal and external—that may affect the program’s ability to achieve desired outcomes.

Regulatory organizations have a responsibility to report to Canadians on an annual basis through the Report on Plans and Priorities (RPP) and Departmental Performance Report (DPR). This reporting responsibility provides an excellent opportunity to roll up the findings of ongoing performance measurement activities. Other reporting instruments such as websites, annual reports, and newsletters are also effective and timely means for communicating progress on a regulatory proposal to Canadians.

5. Evaluation Strategy

Regulatory organizations are required to evaluate their regulatory activities in accordance with the time frames and cycle established in the *Policy on Evaluation*, which defines evaluation as “the systematic collection and analysis of evidence on the outcomes of programs to make judgments about their relevance, performance and alternative ways to deliver them or to achieve the same results.” The evaluation of regulatory activities should be referenced in the annual departmental evaluation plan.

The Evaluation Strategy is a high-level framework that identifies and documents key evaluation questions and the type of data required to address the evaluation questions. The purpose of the Evaluation Strategy is as follows:

- ▶ Allows program managers and the Head of Evaluation to ensure that the performance measurement strategy generates sufficient performance data to support the evaluation;
- ▶ Allows program managers and the Head of Evaluation to ensure that needed administrative data, in addition to what will be collected through the performance measurement strategy, are available at the time of the evaluation;
- ▶ Allows the Head of Evaluation to identify what additional data will need to be collected to support the evaluation; and
- ▶ Allows program managers to give the Head of Evaluation advance notice on evaluation commitments that can inform the departmental evaluation plan.

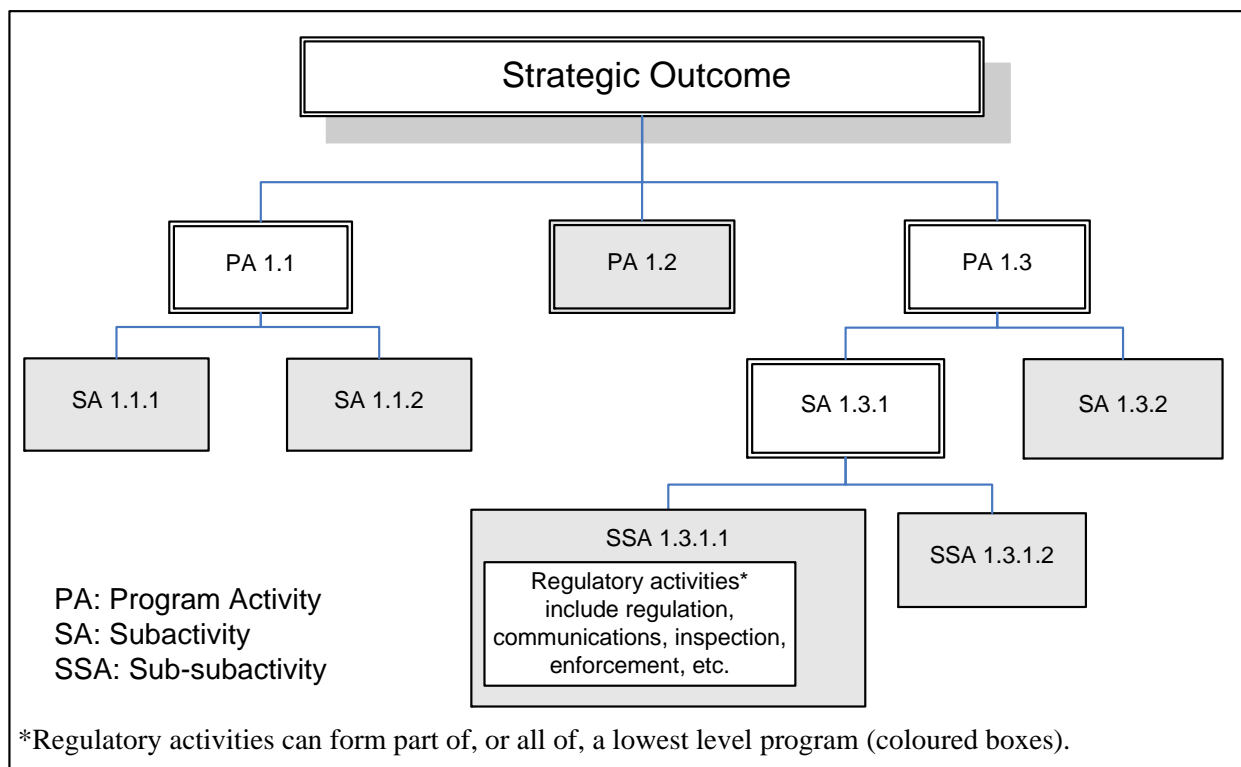
The Evaluation Strategy should include the time frame and responsibilities for developing the evaluation framework and for completing the evaluation. Provided the evaluation addresses the core issues outlined in Annex A of the *Directive on the Evaluation Function*, regulatory organizations have the flexibility to determine the evaluation’s approach and level of effort in accordance with the impact of the regulatory activities as identified in the Triage Statement.

It is expected that the Evaluation Strategy will comply with the requirements of the Treasury Board *Policy on Evaluation* and *Directive on the Evaluation Function*. A valuable resource when developing the Evaluation Strategy is the *Guide for the Development of Performance Measurement Strategies and for Ensuring that They Effectively Support Evaluation*

(forthcoming). Regulatory organizations are also encouraged to consult their Head of Evaluation when developing the Evaluation Strategy.

6. Linkage to the Program Activity Architecture

Briefly describe where the regulatory activities are situated in the PAA. If the regulatory activities do not yet figure in the PAA, indicate when they are expected to be integrated. An example of how regulatory activities are represented in a PAA follows.



7. Regulatory Affairs Sector Review

Before the PMEP is signed off by the regulatory organization's responsible Assistant Deputy Minister, a draft copy of the PMEP must be sent to the Secretariat's Regulatory Affairs Sector portfolio analyst for review to confirm that the PMEP meets CDSR requirements. When seeking confirmation from the Secretariat's Regulatory Affairs Sector, the Head of Evaluation should have provided comments on the PMEP.

8. Assistant Deputy Minister Sign-off

The Head of Evaluation must review the PMEP and agree that it effectively supports the conduct of an eventual evaluation. The PMEP is then signed by the Assistant Deputy Minister (or equivalent) responsible for the regulatory proposal.

Approval criteria for the Assistant Deputy Minister (or equivalent) are the following:

- ▶ The scope and detail of the PMEP are commensurate with the impact of the regulatory proposal;
- ▶ The PMEP's content is accurate and reflects the design, implementation, and evaluation of the regulatory activities;
- ▶ There is commitment to monitor, evaluate, and report on the performance of the regulatory proposal, including implementation of the PMEP, through the use of progress information to support decision making and the conduct of periodic evaluation exercises according to the departmental evaluation plan;
- ▶ Accountabilities for delivery, collection, and timely reporting of performance information and for evaluation activities are clear;
- ▶ Resources are sufficient to implement the PMEP; and
- ▶ The Head of Evaluation has reviewed the PMEP and agrees that it effectively supports the conduct of an eventual evaluation.

All sign-offs on the PMEP must be obtained before final approval of the RIAS by the Secretariat's Regulatory Affairs Sector. The regulatory organization must send two signed copies of the final PMEP to Regulatory Affairs.

9. Departmental Contact

Identify the contact person(s) and contact information for enquiries.

What needs to be in the Regulatory Impact Assessment Statement?

A summary (maximum 2 pages) of the PMEP is to be included in the Performance measurement and evaluation section of the RIAS, consisting of the following key elements:

- ▶ A summary of how the regulatory activities connect the inputs and activities to the outputs, target groups, and expected outcomes of the initiative (i.e., summary of the logic model);
- ▶ A description of the indicators through which changes in outputs and outcomes of the regulatory proposal will be measured;
- ▶ A description of how and when the information will be summarized, reported, and used to improve the performance of the regulatory activities;
- ▶ An outline of how (i.e., methodology) and when the regulatory activities will be evaluated; and
- ▶ Indication of the PMEP's availability upon request.

Who can provide advice and assistance and where can you get training?

Departmental performance measurement and evaluation specialists can provide guidance on the articulation of key outcomes, results logic, and intended policies, the identification and selection of indicators, and the development of strategies for ongoing monitoring and reporting as well as for evaluation. Specialists involved in the cost-benefit analysis of the regulatory proposal may also be of value to you. Information management and information technology (IM/IT) personnel can also contribute to the PMEP development process by providing expertise on data system design or redesign. They can identify what is already being collected, what would be easy to collect, what mechanisms are already in place to collect data, and what the system implications might be of choosing a certain indicator for regular monitoring.

HINT: Forming a team to develop and implement a PMEP has been found to be an effective practice. The team should include not only regulatory development officers, evaluators, and corporate officers but also cost-benefit analysis experts, risk assessors and managers, IM/IT personnel, Secretariat analysts, and compliance promotion, enforcement, and monitoring groups, among others.

It is also recommended that you engage your portfolio analyst in the Secretariat's Regulatory Affairs Sector early in the process and on an ongoing basis.

If you require additional assistance or advice on increasing internal capacity, please contact:

Centre of Regulatory Expertise (CORE), Regulatory Affairs Sector
Treasury Board of Canada Secretariat
Telephone: 613-943-5076
Email: info@regulation.gc.ca

The following course on the PMEP is available through the Canada School of Public Service and can be adapted to the specific needs of a regulatory organization:

Regulatory Performance Measurement and Evaluation (R003)

Step-by-step summary of the Performance Measurement and Evaluation Plan process

Step 1

Regulatory organizations complete the Triage Statement, in collaboration with the Secretariat's Regulatory Affairs Sector, to determine the level of impact (Low, Medium, or High) of the regulatory proposal. Completion of a PMEP Template is only required when the answer to one or more of questions 1 through 6 in the Triage Statement is "High." For regulatory proposals of

Medium impact, completing a PMEP Template is optional and left to the discretion of the regulatory organization.

Step 2

The PMEP is to be completed by the regulatory organization. Managers are encouraged to consult with key corporate groups (e.g., heads of Evaluation, program performance measurement teams or units) when developing the PMEP and completing the Template. A draft copy of the PMEP must be sent to the Secretariat's Regulatory Affairs Sector for review before it is signed by the regulatory organization's responsible Assistant Deputy Minister. Regulatory Affairs will provide the originating regulatory organization with written feedback within 10 business days following receipt of the draft PMEP. Should an alternative timeline be needed, Regulatory Affairs and the regulatory organization can discuss terms that are mutually acceptable.

Step 3

After a review of the PMEP, the Head of Evaluation agrees that it effectively supports the conduct of an eventual evaluation.

The PMEP is then signed by the Assistant Deputy Minister (or equivalent). This sign-off is required before the Secretariat's Regulatory Affairs Sector can approve the RIAS.

The regulatory organization should send two signed copies of the final PMEP to the Secretariat's Regulatory Affairs Sector. Regulatory Affairs will then sign the two PMEPs and return one copy to the regulatory organization.

Step 4

A summary of the PMEP is to be included in the Performance measurement and evaluation section of the RIAS; however, the PMEP is not part of the regulatory package that goes to Treasury Board.

Step 5

To ensure the departmental PAA and PMF reflect new regulatory activities, they should be updated at the earliest opportunity, but only after the regulation has been published in *Canada Gazette*, Part II.

Step 6

Regulatory organizations are required to evaluate their regulatory activities according to the time frames and cycle established in the Policy on Evaluation. Regulatory activities should be referenced in the annual departmental evaluation plan.

A regulatory review may be required if the evaluation's findings demonstrate that the regulatory activities are not achieving the intended outcome(s).

Step 7

Reporting on the performance of regulatory activities should be done on an annual basis through the evaluation reports, the RPP, and the DPR. Other reporting instruments such as websites, annual reports, and newsletters are also effective and timely means for communicating progress on regulatory activities to Canadians.

Contact information

For general public enquiries, please contact the Treasury Board of Canada Secretariat at:

Email: info@tbs-sct.gc.ca
Telephone: 613-957-2400
Toll free: 1-877-636-0656
TTY: 613-957-9090
Fax: 613-943-5071

Mail: Regulatory Affairs Sector
Treasury Board of Canada Secretariat
155 Queen Street
Ottawa ON, K1A 0R5

For assistance with the PMEP or enquiries about this handbook, federal regulatory organizations should first contact their portfolio analyst in the Secretariat's Regulatory Affairs Sector or send an email to Regissues@tbs-sct.gc.ca.

Appendix A: Performance Measurement and Evaluation Template

The completed PMEP Template should be no longer than 12 pages. The regulatory organization should send two signed copies of the final PMEP to the Secretariat’s Regulatory Affairs Sector. Regulatory Affairs will then sign the two PMEPs and return one copy to the regulatory organization.

PERFORMANCE MEASUREMENT AND EVALUATION PLAN	
Name of regulatory organization:	DATE
Name of regulatory proposal:	
1	Description and Overview of the Regulatory Proposal
<p>Issue Describe the issue(s).</p> <p>What is the issue the regulatory proposal aims to address? What evidence exists to show that there is a issue? Why is the issue important?</p> <p>Objectives In concrete terms, what are the objectives of the regulatory proposal?</p> <p>How will the regulatory proposal achieve the objectives for solving or mitigating the issue?</p> <p>Description A description of the regulatory proposal.</p> <p>Who are the target audiences (i.e., regulated individuals or organizations) of the proposed regulation? What anticipated behavioural changes in the target audience need to be addressed (e.g., awareness, understanding, capacity, compliance)?</p> <p>Who are the intended beneficiaries of the proposed regulation (e.g., Canadians, business, or governments)?</p> <p>Describe how the proposed regulation fits into the bigger picture (i.e., contributes to government priorities, the department’s strategic outcomes, other overarching initiatives). Identify if and how the regulatory activities cut across multiple regulatory organizations. Finally, indicate how the information will be used to improve the performance of the regulatory activities.</p>	
2	Logic Model
Provide a brief narrative description of the logic model developed for the regulatory proposal and attach a separate graphic depicting the logic model.	

8 Assistant Deputy Minister (or equivalent) Sign-off

I concur that this PMEP has met the following criteria:

- The scope and detail of the PMEP are commensurate with the impact of the regulatory proposal;
- The PMEP's content is accurate and reflects the design, implementation, and evaluation of the regulatory activities;
- There is commitment to monitor, evaluate, and report on the performance of the regulatory activities, including implementation of the PMEP, through the use of progress information to support decision making and the conduct of periodic evaluation exercises;
- Accountabilities for delivery, collection, and timely reporting of performance information and evaluation activities are clear;
- Resources are sufficient to implement this PMEP; and
- The Head of Evaluation has reviewed this PMEP and agrees that it effectively supports the conduct of an eventual evaluation.

Name (print)
Assistant Deputy Minister

Signature

Date

9 Departmental Contact

Name of Contact:

Title:

Department/Agency, Directorate:

Mailing Address:

Telephone:

Fax:

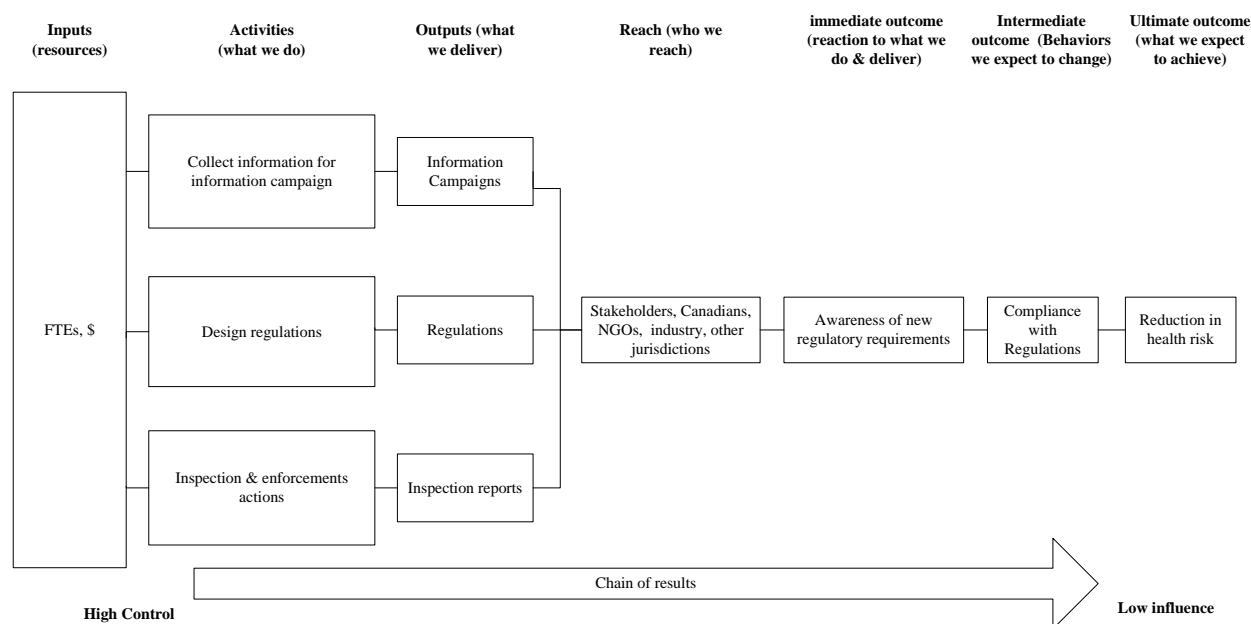
Email:

Appendix B: Developing a logic model for regulatory activities

A logic model (also known as results logic and theory of action or intervention) is a graphic (usually accompanied by text) that tells the story of a regulatory initiative. It connects the inputs (resources) and activities (internal processes) to the outputs (products or services generated from the activities), the groups reached (partners, intermediaries, and target groups), and the expected outcomes of that initiative (the sequence of changes in groups outside the control of the regulator).

As illustrated in the following example, a logic model is commonly depicted as a graphic.

Figure 1: Logic Model Example



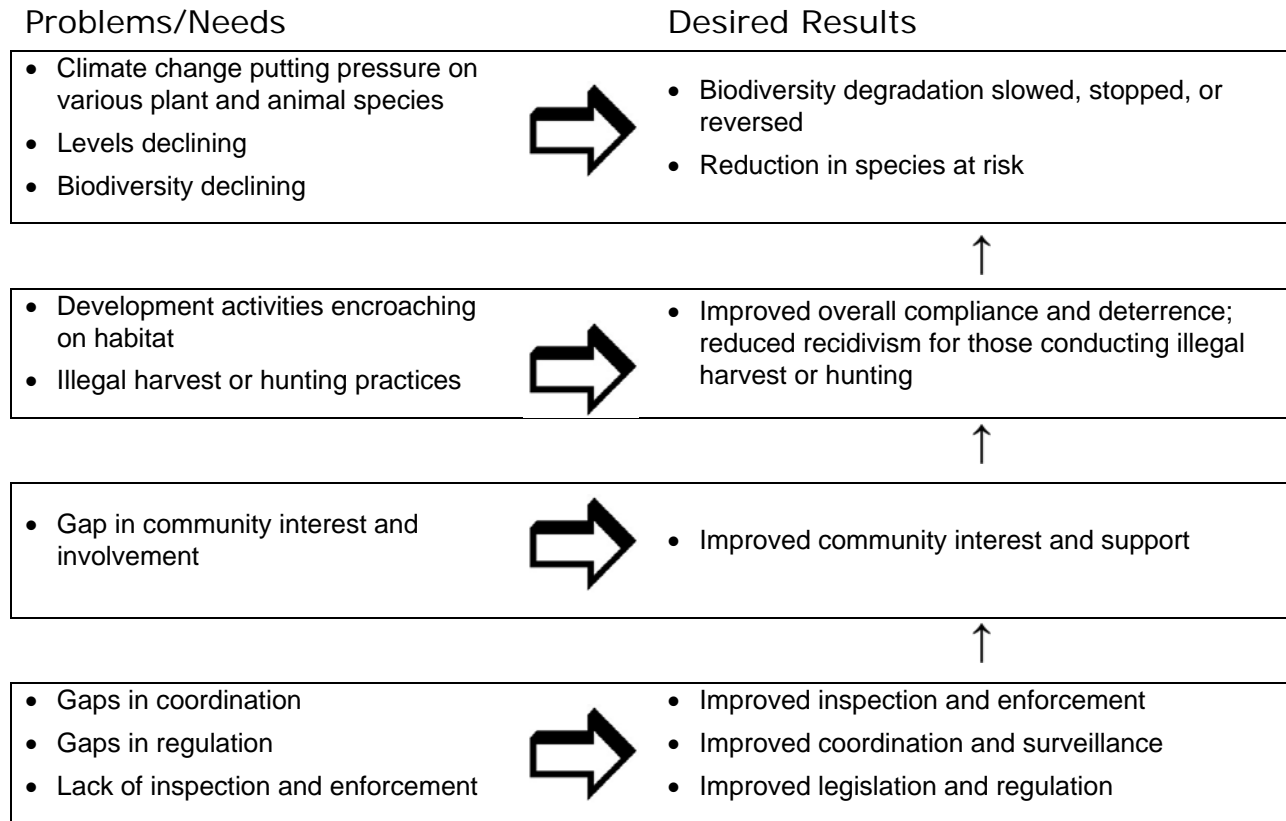
Source: Health Canada LRAD, 2009.

To depict a regulatory performance story, it is useful to start with a structured understanding of the problem, need, risk, or harm **before** developing the results logic. The advantages of defining the problems, needs, risks, or harms before defining results include the following:

1. It supports the first step in the regulatory process as described in the *Cabinet Directive on Streamlining Regulation*: “identify the problem or policy issue.” If we have not properly identified the problem, then we have likely not identified an appropriate solution.
2. Identifying problems, risks, or harms serves to set the vital context. In fact, they can directly set the terms for and define the inputs, activities, outputs, and outcomes stated in the logic

model. Figure 2 shows how this works.

Figure 2: Example of How Problems and Needs Inform the Results Logic of an Environmental Initiative



Source: Participants Manual, Canada School of Public Service course on Performance Measurement and Evaluation (R003 – 2008)

HINT: The key to developing a problems/needs or risk-based results logic is to define the problems or needs in terms of a hierarchy, starting with outside factors and moving inward (downward), and then to translate these into desired results.

The following chart contains a comprehensive list of questions with examples of problems or risks that serve to set up appropriate results.

Logic model component	Ask yourself about the problem	Examples	Ask yourself about the result you want	Examples
Ultimate/End outcomes Social or cultural situation	<ul style="list-style-type: none"> • What is the social or cultural problem? • What is the risk to public health, the environment, public safety, or the economy? • What is the severity of the risk? 	Rate of health incidents, hectares of land contaminated, rate of injuries or deaths caused by airplanes	<ul style="list-style-type: none"> • When will the problem or risk no longer be an issue? • What will the problem or risk look like when it is no longer an issue? • How does the program line up with the department's Strategic Outcome(s)? 	Reduced rate of health incidents, hectares of land remediated, reduced rate of injuries or deaths caused by airplanes
Intermediate outcomes Stakeholder behaviour	<ul style="list-style-type: none"> • How do stakeholder behaviours influence the social or cultural situation? • What behaviours are having a negative impact on the social or cultural situation? 	Industry is not adhering to voluntary guidelines Canadians are putting toxic cleaning products down the drain	<ul style="list-style-type: none"> • What behaviours would you like to see change? • How do the behaviours need to change? 	Industry compliance with new regulations Reduction in percentage of Canadians putting toxic cleaning products down the drain
Immediate outcomes Stakeholder knowledge	<ul style="list-style-type: none"> • What gaps exist in your target population's knowledge, abilities, skills, or aspirations? 	Poor industry awareness and acceptance of standards Poor Canadian knowledge of risks	<ul style="list-style-type: none"> • How do we expect our target audience(s) to react immediately to the deliverables? • How will the target audience's knowledge, abilities, skills, or aspirations change? 	Industry awareness and understanding of new regulations Canadian awareness and acceptance of risks and need for new rules

<p>Reach</p> <p>Stakeholder participation</p>	<ul style="list-style-type: none"> • Are there gaps, which are critical to achieving your objective, in the participation or engagement of groups? 	<p>Low industry participation</p> <p>Low engagement from Canadians</p>	<ul style="list-style-type: none"> • Who is this initiative intended to reach or who will be affected? • Whose behaviour needs to change and among which group or population? • How will the participation or engagement of important groups change as a result of your program? 	<p>Increase in participation and engagement from Canadians, industry, stakeholders, and other governments and jurisdictions</p>
<p>Outputs</p> <p>Programs or supports in place for addressing the problem</p>	<ul style="list-style-type: none"> • Are there gaps in the suite of supports, programs, or services that are currently in place to address the problem or risk? 	<p>Industry is under no legal obligation to comply with the voluntary standards currently in place</p> <p>Information bulletins to advise Canadians about certain risks are not resulting in a significant enough change in the number of incidents</p>	<ul style="list-style-type: none"> • What product or service will we deliver in order to fill the gaps? 	<p>Regulations, inspection reports, information campaigns</p>
<p>Activities</p> <p>Internal practices</p>	<ul style="list-style-type: none"> • Are there problems with the current delivery practices? • Are there programs or services being offered in other jurisdictions that are demonstrating better results than our programs or services? 	<p>Inefficient delivery practices, incomplete assessment of criteria, gaps in communication</p>	<ul style="list-style-type: none"> • What will we do? • What actions or work will be done? • What services will be delivered? 	<p>Conduct research, publish documents, provide advice, draft regulations, conduct inspections, provide information to the public (possibly with a focus on particular target groups)</p>

Inputs Internal resources	<ul style="list-style-type: none"> • Are there gaps in the financial, human, or technical resources available? • Is data availability a problem? 	Lack of resources, lack of data, or lack of information	<ul style="list-style-type: none"> • What resources do we have for this regulatory initiative? • What additional information is needed to improve delivery? 	Staff, funding, better access to information
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