

MANAGEMENT RESPONSE
Formative Evaluation of the CANTex element
of the
Canadian Apparel and Textile Industries Program
March 2007

Background

In 2002, the Government created a \$33 million Canadian Apparel and Textile Industries Program (CATIP) to operate from 2002 to 2006. The fundamental objective of CATIP was to assist apparel and textile firms increase their competitiveness through initiatives related to the introduction of best practices, the exploitation of leading edge technologies and the development of global market strategies. Contributions were directed to specific projects by companies, and not-for-profit organizations such as associations. The portion for companies was closed in March 2005; delivery to not-for-profits continues on a limited basis using residual funds.

On February 27, 2004, the Government announced a new Textile Production Efficiency Component for CATIP, called "CANTex", aimed at improving the global competitiveness of Canadian textile manufacturers. Funding for CANTex was originally \$26.7 million over a three year period. Additional funding of \$50 million was announced in December 2004, together with a program extension to March 31, 2010. This brought total funding for CANTex to \$76.7 million.

On September 25, 2006, the government announced a reduction in CANTex funding by \$24.9 million, thereby reducing the overall funding for CANTex to \$51.8 million.

While responsibility for the overall administration and reporting resides with Industry Canada (IC), the CANTex program is delivered by Canada Economic Development in the Quebec Regions (CED-Q) in the province of Quebec.

Formative Evaluation

The formative evaluation of the CANTex element was undertaken by the Centre For Public Management Inc. on behalf of the Audit and Evaluation Branch of Industry Canada. The methodological approach used reflects the standards of program evaluation and the expectations set out in the Treasury Board Policy on Evaluation. The objective was to inform decision making concerning program design and delivery, foster organizational learning and promote greater accountability and transparency. The evaluation also fulfills a commitment in the Results-Based Management and Accountability Framework for the program and the Treasury Board Policy on Transfer Payments. The Evaluation examines:

- Program rationale
- Program design and delivery
- Progress on results to date
- Lessons Learned.

The CANtex element of CATIP is intended to improve the global competitiveness of Canadian textile manufacturers. CANtex concentrates on encouraging productivity and cost-reduction as well as re-orientation of textile production towards higher value-added products.

Overall, the evaluation findings indicate that CANtex's design is suitable for the program and for applicants' and recipients' needs. In general, interviewed companies and those surveyed responded very favourably to all elements of the program's design with very few concerns or issues.

Evaluation findings provide strong support for the view that CANtex continues to be relevant to the Canadian textile industry. The majority of CANtex projects are contributing to productivity improvements and many companies can readily identify the results from their projects. Without the support that was provided, some of the companies might not have survived.

The recommendations made in this evaluation will be very helpful in guiding decisions for the balance of the Program. CED-Q agrees with this management response.

Program management is committed to addressing each of the recommendations found within the evaluation study as set out in the detailed Management Response below.

Management Response to the Recommendations

Recommendation #1:	To ensure that CANtex clients are served consistently, CED-Q should take the steps necessary to ensure that program officers are fully informed and that backup capabilities are in place to support its officers in delivering the program.
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Management Response: Agreed.

Planned action: As of January 19th, CED-Q has established a backup capability in each region that delivers CANtex. For each of the five regional offices delivering the program, at least two officers have the knowledge to handle CANtex questions or projects.

Recommendation #2:	Industry Canada and CED-Q should take the steps necessary to ensure that CANtex is uniformly and consistently delivered across Canada.
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Management Response: Agreed. While IC and CED-Q have already implemented many mechanisms to align program delivery, there were still some inconsistencies identified as part of the evaluation. IC and CED-Q are committed to continued alignment of operations to ensure the CANtex Program is delivered uniformly and consistently across Canada.

Planned action:

- The Memorandum of Understanding between IC and CED-Q will be renewed by June 2007;
- In addition to regular liaison between the CANtex Program Manager and the CED-Q Program Coordinator, IC and CED-Q Directors will continue to meet formally at least once annually to review program delivery and address any issues;
- The joint program interpretation bulletin will continue to be updated as necessary in response to identified issues (ongoing);
- IC Program Manager and the CED-Program Coordinator as well as program delivery officers will meet at least once annually to exchange views on program delivery mechanisms;
- Maintenance and updating of the common website;
- If required, these opportunities will be further supported by meetings at more senior management levels.

Recommendation #3

To ensure that Industry Canada is able to report on the results achieved through CANtex, program management should establish a complete and systematic process for collecting and compiling results information, based on the contents of the Results-Based Management Accountability Framework.

Management Response:

Agreed. IC, in collaboration with CED-Q, will improve its performance measurement practices in accordance with the Results-Based Management Accountability Framework (RMAF) to ensure that the system provides IC management with the ability to appropriately capture the performance information it needs to better meet its monitoring and accountability requirements. Program management has also determined that there is a need to review the current RMAF to ensure that it takes into account the evolution of industry conditions. The RMAF will be streamlined in order to ensure that it provides an appropriate basis for collection of performance information to allow for the conduct of an effective summative evaluation of the program.

Planned action:

- The CATIP RMAF will be reviewed and revised by June 2007;
- Based on the CATIP RMAF review, relevant performance indicators will be identified and a system for performance measurement will be set-up by October 2007;
- Using this system, IC and CED-Q will strengthen their tracking activities to ensure that data for all RMAF indicators are being collected.