



Regulatory Experimentation Expense Fund

Environment and
Climate Change
Canada

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Testing a policy lab co-creation approach to the development of policy solutions

Environment and Climate Change Canada (ECCC) consultations are traditionally characterized by seeking input from interested parties through publications in the *Canada Gazette*, Part I, on options pre-designed by regulators (for example, technical documents and proposals for regulating certain substances), and holding routine meetings with large consultation bodies, such as industry associations, to discuss operational implementation or carry out periodic, high-level workshops. This approach makes it difficult for participants to discuss their perspectives with one another, as it does not foster a forum for in-depth public-private multi-stakeholder discussion. ECCC is interested in modernizing its consultation approach and has carried out a pilot consultation model to allow for earlier stakeholder engagement and facilitate a deeper exchange of information between participants and government.

ECCC tested the use of a policy lab approach to co-develop solutions for supply chain transparency and labelling under the Chemicals Management Plan to better understand its benefits and challenges.

Learning objective:

The test sought to answer the following questions:

- Is the policy lab a more transparent and inclusive mechanism to engage with interested parties compared to traditional consultation methods?
- Do participants learn about and build a greater understanding of each other's perspectives and experiences during small, moderated groups compared to traditional consultation methods?
- Does this innovative approach provide an opportunity for participants to provide comprehensive input, compared to traditional consultation methods?

The experimental design involved the development of informed assumptions regarding the outcomes of the policy lab approach and used observational measurement methods and surveys to validate these assumptions. When negative outcomes were identified and could be addressed immediately, adjustments were made to the consultation methodology, followed by further observations and measurements.

The policy lab included a series of collaborative engagements, where breakout room sessions were designed to bring participants with varying opinions and experiences on the issues of chemical transparency and labelling to the discussion table. The events were facilitated by a third party, with the goal of creating an environment where participants feel more welcome to share their ideas with one another. Federal government attendees were introduced as observers and note takers, only contributing to the conversation when participants required clarification.





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The objective of the co-development sessions was to identify a long list of potential solutions on how to increase the transparency of chemical ingredients in products, followed by the evaluation, prioritization, and refinement of these initial ideas into a shortlist. This was followed by collaborative discussions to elaborate the shortlisted solutions and improve them incrementally.

Sessions were repeated with different participants to provide two to three independent sets of observations that were used to enable a comparative analysis of participants input and collaboration.

The data regarding the policy lab impact on the target outcomes (i.e., transparency and inclusivity of the approach, whether participants gained an understanding of other participants perspective and opportunity to provide comprehensive input) was measured using surveys throughout the policy lab and post-policy lab interviews. The surveys and interviews were used to gather data on participant perception of the impact of the policy lab toward the desired outcomes compared to the traditional approach. Answers to the surveys were compared over time to identify trends in participants' perceptions throughout the policy lab. More than 200 individuals participated to the policy lab and each of them was invited to post-policy lab interview. However, only twelve participated.

Sixty-eight percent of participants perceived the policy lab to be more inclusive and transparent than traditional consultation methods.

Feedback interviews and surveys post-policy lab suggested that a key benefit of a policy lab is that it allowed participants to learn and build a greater understanding of each other's perspectives and experiences during the moderated small group sessions. Multiple interviewees noted the diversity of the group of participants, which produced many different perspectives.

ECCC observed occurrences where polarizing views overpowered group discussions, affecting the group's ability to build a better understanding of each other's perspectives. To minimize this occurrence, ECCC attempted to thoughtfully distribute participants in a manner to balance the views. A wider range of participation was observed in these breakout rooms, as participants appeared to be more open to sharing their perspective without fear that the conversation would be taken over by any one dominant view.

At the beginning of the policy lab, 59% of participants indicated that they perceived that the policy lab provided a better opportunity to provide comprehensive input compared to the traditional approach. This metric trended downward through to the end of the policy lab process, with a result of 40% during the final survey.

During post-policy lab interviews, some participants and government representatives shared a potential reason for that drop. Many noted their opinion that a policy lab may be less suitable (compared to traditional consultation approaches) for providing detailed input on specific solutions. Interviewees noted that the wide range of interests, areas of expertise, and diverse points of view made it challenging at times to focus discussions.





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Lessons Learned:

A regulator using experimentation for the first time should seek support from Community of Practices on experimentation. ECCC's experience with this project has shown that the workload associated with experimental activities on top of operational activities was heavier than expected. Some challenges they faced were:

- Difficulty navigating the procurement process to access external experimentation expertise especially building a call for tenders.
- The lack of familiarity of stakeholders with the concept of experimentation and the degree of acceptance.

When considering a test case to run an experiment, the regulator should consider the level of visibility and sensitivity of the considered test case. The supply chain transparency and labelling under the Chemicals Management Plan was a high-visibility project which led to a higher demand for reporting at various levels of Government than lower visibility projects. The reporting demand was further increased to explain the experimental approach used to test co-creation. This led to an unanticipated workload that had to be managed, in addition to the experimental and operational workload.

ECCC concluded that a policy lab approach is an appropriate means of participatory research in a regulatory setting to collaboratively explore potential solutions to complex and large-scale challenges. The structure of a policy lab approach allows for rich and meaningful data collection (including from non-traditional stakeholders), which provides a deeper understanding and stronger foundation for paradigm-changing recommendations. ECCC recommends that regulators interested in using this approach pay attention to the following aspects and prerequisites:

- Expectations on lab participants and outcomes should be made explicit right from the beginning. It should be clear to participants that they have a role in framing the discussions and in sharing their experiences. We also recommend that the regulator communicate ground rules early on such as the respect of the diversity of professional expertise in the room, avoiding using over-technical terms and acronyms to help build a common knowledge among participants, listening actively and intentionally, striving to understand perspectives, and asking clarifying questions. The regulator should also clearly mention how it will incorporate ideas and perspectives into any written material that comes out of the collaborative sessions. This plays an instrumental role in building trust with a view to supporting the participants who undergo the transition from passive participants to active collaborators.
- The regulator should aim to be as transparent as possible about the co-creation process in general and governance. This should help inform and manage expectations and prevent wasted efforts at later stages of the process. It should also help ensure the compatibility of the engagement formats with participants' organizational setting.

