





**Regulators’ Capacity Fund Proposal Guide 2021-2022**

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# 1. About the Regulators’ Capacity Fund

The Centre for Regulatory Innovation (CRI) is now accepting proposals from federal departments and agencies for projects under the Regulators’ Capacity Fund (the “Fund”).

The Regulators’ Capacity Fund supports enhancing the capacity of regulators to incorporate economic and competitiveness considerations in the development and administration of regulations. To this end, the Fund aims to:

* enhance the capacity of regulators to accurately assess economic impacts of regulatory proposals, including impacts on competitiveness at sector and aggregate levels; and,
* enhance the capacity of regulators to design and administer regulations in a manner that accounts for economic and competitiveness impacts, within the context of their overall objectives.

# 2. Eligibility

Government of Canada departments and agencies with responsibilities for designing and/or administering a regulatory regime are eligible to submit proposals under the Regulators’ Capacity Fund. Multiple departments and agencies may choose to collaborate on a proposal and a project. In such cases, it should be made clear how much of the requested funding would be going to each department/agency involved, or if one group will receive all of the funding and act as the lead for project implementation.

Prior to being submitted to the Centre, proposals should have an appropriate level of authorization in accordance with the scope of the project.

# 2.1. Scope and Funding

This call-out is for one-year projects, spanning fiscal year 2021-22. A total of approximately $2.2M of funding remains to be allocated. As the Fund will sunset in April 2022, project timelines and funding cannot be extended past March 2022.

The CRI will only transfer funds to successful applicants as Goods and Services costs (G&S/O&M). The funding recipient can use these funds to cover any direct costs associated with the project, as the project is described in the MOU, including salaries. Any costs associated with the conversion of G&S funds into salary funds, however, must be covered by the Project Department.

# 2.2. Assessment Criteria

The criteria outlined below will be used when assessing proposals for funding under the Regulators’ Capacity Fund.

These criteria are intended to help guide whether a proposal aligns with the mandate of the Regulators’ Capacity Fund. There are multiple components to each criteria; identify linkages to all relevant components for your proposal. A proposal must meet at least one component for each criteria. A proposal can also be a subcomponent of a larger strategy that aligns with these criteria, but should be able to demonstrate results within the FY timeframe.

***Criteria 1: Competitiveness***

A key consideration in assessing whether the proposal aligns with the mandate of the Regulators’ Capacity Fund is whether, broadly, the proposal supports regulatory competitiveness. The proposal should demonstrate that it will, to contribute to a federal regulatory framework that:

* works efficiently for regulated entities,
* does not unnecessarily impede a business’ competitiveness, and
* supports economic growth.

The Fund is particularly focused on proposals that help regulators to advance regulatory competitiveness in the design or administration of a regulatory regime. This includes – but is not limited to – the following elements of competitiveness:

* ***Cost competitiveness:*** Regulatory frameworks often impact the costs incurred by industries in the course of doing business, which includes the cost of intermediate inputs (i.e. energy, raw materials, etc.) and of factors of production (i.e. labour, capital, etc.). By supporting the accurate assessment of these costs as part of the development or administration of a regulatory regime, regulators can achieve a greater understanding of the economic impacts of a regulatory proposal and inform their work in a manner that supports competitiveness.
* ***International competitiveness:*** Canada’s federal regulatory framework contributes to the comparative advantages and disadvantages faced by Canadian industries in the global market. Regulators and regulatory frameworks can support international competitiveness through, for example, regulatory cooperation and including considerations of regulatory cooperation or harmonization across jurisdictions.
* ***Innovation:*** Regulatory frameworks can support competitiveness by supporting the development or introduction of novel products, services, processes, or solutions to longstanding issues. This includes strategies to help regulators keep pace with and support industry innovation. The idea behind this is that, by creating an environment for innovation to thrive, we support long-term competitiveness and an economy that ultimately generates better economic outcomes.
* ***Minimizing regulatory burden:*** Regulatory competitiveness involves understanding and minimizing the burden that regulatory frameworks impose on regulated entities. This includes considering the type, extent, and effect of burden experienced by regulated entities, as well as how to reduce irritants and inefficiencies that add unnecessary cost, duplication and/or delay for business and citizens. Streamlining compliance processes, for example, is one way of meeting this component. The idea behind this is that reducing regulatory burden would free up resources that can be put to better uses such as enhancing innovation and competitiveness. the type, extent, and effect of the burden experienced by regulated entities.

The External Advisory Committee on Regulatory Competitiveness provides advice on how to improve regulatory competitiveness. For more information about regulatory competitiveness, you can visit [their page on the TBS website](https://www.canada.ca/en/treasury-board-secretariat/services/federal-regulatory-management/external-advisory-committee-regulatory-competitiveness.html).

***Criteria 2: Impact***

Proposal assessment will also take impact into consideration, which is understood to be the extent to which the described project could result in lasting and meaningful benefits for regulators and/or a regulatory regime.

In assessing the likely impact of a proposed project, consideration will be given to applicable components including, but not limited to:

* ***Scalability:*** Proposals that demonstrate a potential to scale up or build on its results/learnings are considered to carry lasting benefits following the project’s completion, beyond its immediate purview. This can include, for example, projects laying the groundwork for future efforts to support regulatory capacity and/or regulatory competitiveness.
* ***Horizontality:*** Proposals for projects that either involve or positively affect multiple departments, agencies, sectors, or jurisdictions are considered to have the potential to benefit a wider range of regulated entities or regulators, with a broader impact than projects that are narrower in scope.
* ***Alignment:*** By aligning with existing Government initiatives, Government priorities, and/or industry strategies, such as the targeted regulatory reviews or innovation superclusters, proposals are considered to carry broader, more meaningful impacts.

Impact feeds into an assessment of value for money. The impact of a project will be assessed in a manner proportionate to the magnitude of the proposed project, where the expectation for the impact of a larger proposed initiative with a higher funding request is greater than the impact of a smaller initiative. Applicants should therefore not be deterred from submitting proposals for smaller or more targeted initiatives with lower costs and lesser impact.

*Targeted Regulatory Reviews*

In the original conceptualization of the Regulators’ Capacity Fund, a key objective was to support departments and agencies in the development and implementation of priorities in the targeted regulatory review roadmaps.

These roadmaps are aligned with the economic competitiveness objectives of the Fund. Bolstering the capacity to incorporate analysis centred around economic and competitiveness considerations, including but not limited to cost-benefit analysis, in the implementation of the roadmaps is critical to supporting the long-term efficacy of the improvements being undertaken through the regulatory review process.

While the Regulators’ Capacity Fund encompasses projects beyond those directly linked to the implementation of regulatory roadmaps, priority will be given to such projects in the assessment process.

# 3. Assessment Process and Funding Decisions

Assessments and funding decisions will be made by a committee comprised of director and director general-level representatives from the Regulatory Affairs Sector within TBS. Decisions will be based on:

* the Fund criteria;
* budgetary considerations;
* an assessment of project viability based on the scope and project plan; and,
* a ranking against other submitted applications.

The CRI will provide analysis and recommendations to help inform committee decision‑making.

The committee may approve, not approve, or identify items for follow-up. If a project is identified for follow-up, the CRI will reach out to the project contact to seek clarification or to suggest specific revisions. Final decisions will be made after items identified for follow-up are resolved.

If a project is approved, a Memorandum of Understanding (MOU) will be signed between the Secretary of the Treasury Board and the participating department/agency. The MOU must be signed by an individual with the appropriate delegated financial authority, corresponding to the transfer amount, as outlined in the MOU.

# 4. Project Ideas

While all projects under the Regulators’ Capacity Fund should contribute to enhancing regulatory capacity, the broad mandate of the Fund allows for projects that range widely in terms of design, scope, and objectives.

Projects can deal with a particular regulatory regime – whether existing or proposed – or a broader regulatory practice (for example, cost-benefit analysis).

Projects can include:

* training initiatives to help regulators undertake economic/competitiveness analysis;
* data collection or data analysis to inform future regulatory work;
* stakeholder engagement to identify regulatory barriers to competitiveness;
* research to support regulators’ understanding of barriers to regulatory competitiveness, including issues related to cumulative regulatory burden;
* expert advisory services to conduct economic/competitiveness analyses to inform the development of a regulatory proposal; or
* developing tools or materials to support the effective administration of a regulatory regime.

Prospective applicants can reach out to the Centre for Regulatory if they wish to discuss potential project ideas or opportunities.

# 5. Reporting and Lessons Learned

Projects receiving funding will be required to report to the CRI, in accordance with the schedule outlined in the project MOU. At minimum, this will include one progress report and a final report on outcomes, findings, and lessons learned.

A key objective of the Fund is to facilitate broader regulatory capacity-building, beyond the immediate scope of an individual project. Reporting is an important tool to facilitate this objective, enabling CRI to collect and disseminate lessons learned. CRI will also prepare and make public a report summarizing highlights, outcomes, and learnings of projects under the Fund.

This will allow for the identification of best practices and inform future work, leveraging learnings and preventing duplicative efforts.

# 6. Contact Us

More information on the Centre for Regulatory Innovation, including funding opportunities for regulatory experiments, is also available on the [Centre’s GCpedia page](https://www.gcpedia.gc.ca/wiki/Centre_for_Regulatory_Innovation).

If you have any questions or if you would like further information or guidance, contact the Centre for Regulatory Innovation at [cri-cir@tbs-sct.gc.ca](mailto:cri-cir@tbs-sct.gc.ca).

# Annex A: Regulators’ Capacity Fund - Application Template

**Instructions**

* Use the template in this document to describe your proposed project.
* Contact CRI if you have questions or if you would like further guidance on items.
* Please submit the completed application by email to [cri-cir@tbs-sct.gc.ca](mailto:cri-cir@tbs-sct.gc.ca).

|  |  |
| --- | --- |
| **Applicant Information** | |
| Department or Agency |  |
| Proposal Title |  |
| Project Contact  (Name and Title) |  |
| Email Address |  |
| Phone Number |  |
| Proposal Approved By  (Name and Title) |  |
| Date Submitted |  |

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| --- |
| **Proposal Information** |

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| --- |
| **Brief project summary**  *(max. 2 sentences or 50 words)* |

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| --- |
| **Item 1: Background**  Describe the context for your proposal, including:   * background on the current regulatory environment; * the problem or issue that you are seeking to address; and, * where there are currently issues with regulator capacity.   *(max. 150 words)* |

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| **Item 2: Project Overview**  Provide an overview of proposed project activities and implementation approach.  *(max. 200 words)* |

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| **Item 3: Objectives**  Describe short-term and long-term project objectives.  *(max. 100 words)* |

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| **Item 4: Partners**  Identify any potential project partners (within government or external).  *(max. 50 words)* |

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| --- |
| **Item 5: Risk/Mitigation**  Identify anticipated risks and mitigation strategies using the table below. |

|  |  |  |  |
| --- | --- | --- | --- |
| **Risk** | **Probability (high/medium/low)** | **Impact (high/medium/low)** | **Planned Mitigation** |
|  |  |  |  |
|  |  |  |  |

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| --- |
| **Item 6: Competitiveness**  Describe how the proposal would support consideration or incorporation of one or more of the following in a regulatory regime:   * cost competitiveness * international competitiveness * innovation; and, * minimizing regulatory burden.   *(max. 100 words)* |

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| **Item 7: Impact**  Describe how this proposal could have lasting benefits for your department’s regulatory capacity, or to the design/administration of your regulatory regime. This includes, for example:   * scalability; * horizontality; and, * alignment with broader existing priorities or industry strategy.   *(max. 100 words)* |

|  |
| --- |
| **Item 8: Funding** |

|  |  |
| --- | --- |
| **Total 2021-22 CRI Funding Request:** |  |
| **Approximate funding breakdown by resource, activity or deliverable:** | *Example text*   * *$20K: advisory services contract* * *$40K: 0.5 FTE for data analysis* * *$40K: 2 engagement roundtables* |
| **Departmental Contribution (if any):** |  |
| **Any other sources of funding for this project (confirmed or planned):** | *Example text*   * *In discussions with stakeholder group to match CRI funding* * *Budget ask planned to request $500K funding for future phases* |
| **Total Project Cost:** |  |

|  |
| --- |
| **Item 9:** Describe the proposed project plan, in accordance with the template below. The template can be adjusted to best fit your proposed project. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Project Task** | **Deliverable** | **Accountability** | **Start Date** | **End Date** |
| **Phase 1:**  *[insert brief description of this phase. Example: Contract with university to develop training materials for regulators]* | | | **(m/y)** | **(m/y)** |
| **Associated Phase 1 Milestones** | | | | |
| *[Insert description of milestone. For example: host a workshop with regulators to get input on draft materials]* | *[Example: Summary of Input]* | *[Example: project department, in cooperation with contractor]* | [Ex: 6/20] | [Ex: 9/20] |
|  |  |  | (m/y) | (m/y) |
| **Phase 2:**  *[insert brief description of this phase]* | | | **(m/y)** | **(m/y)** |
| **Associated Phase 2 Milestones** | | | | |
|  |  |  | (m/y) | (m/y) |
|  |  |  | (m/y) | (m/y) |
| **Phase 3: (please insert a description of this phase)**  *[insert brief description of this phase]* | | | **(m/y)** | **(m/y)** |
| **Associated Phase 3 Milestones** | | | | |
|  |  |  | (m/y) | (m/y) |
|  |  |  | (m/y) | (m/y) |