



## Regulatory Governance Brief

### Regulatory Governance Briefs

Regulatory Governance Briefs present analyses, case studies, opinions, and current issues pertinent to regulatory governance. They are written by scholars and practitioners within the Regulatory Governance Initiative (RGI) network, as well as RGI staff. They are designed to be accessible to a broad readership as well as in workshop and classroom settings. RGI Briefs are peer reviewed.

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## Place-Based Decision-Making: The Role of the Federal Government

### Results from a *Critical Conversation*

#### Introduction

The Regulatory Governance Initiative (RGI) at Carleton University held a Critical Conversation on the role of the federal government in place-based decision-making on March 22, 2010. The event was co-hosted by the Policy Research Initiative, Environment Canada, the Major Projects Management Office and GeoConnections of Natural Resources Canada, and the Regulatory Governance Initiative. The event coincided with the launch of a special edition of *Horizons: Sustainable Places*<sup>1</sup> on place-based decision-making by **Ian Shugart**, Deputy Minister, Environment Canada.<sup>2</sup>

The objective of the event was to have an open debate amongst a diverse group of experts on the following question:

**From the perspective of sustainable development, what are the top three priorities to improve place-based analysis and decision-making and how can the federal government play a role?**

Place-based approaches can be defined as “a collaborative means to address complex socio-economic issues through interventions defined at a specific geographical scale....The scales at which they are developed vary, depending on the issue being addressed...”<sup>3</sup>

<sup>1</sup> <http://www.policyresearch.gc.ca/page.asp?pagenm=pub%5Findex>

<sup>2</sup> Workshop agenda, speaker biographies and presentations (slides or speeches) are available at <http://www.carleton.ca/regulation/criticalconversations/PBDM/PBDM.html>.

<sup>3</sup> Bernard Cantin. 2010. “Integrated Place-Based Approaches for Sustainable Development.” *Horizons*, vol. 10, no. 4, p. 7.



## Workshop Team

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## Acknowledgements

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The workshop took the form of a *Critical Conversation*<sup>®</sup>: think-tanks that focus on challenging issues and aim to push the boundaries of current thinking on policy and regulation. These half-day events are designed to promote discussion and knowledge transfer amongst participants. They bring together an assortment of invited senior managers, opinion leaders, and experts from government, industry, non-governmental organizations, and academe. Speaker presentations and the attendee list are public but the roundtable and plenary conversations are held under the Chatham House Rule (no attribution is made) to encourage free and unfettered debate.

As we will show below, the *Critical Conversation* resulted in the identification of the following top three priorities for improved place-based analysis and decision-making:

### **(1) The development of governance mechanisms**

The federal government can play a leadership role in the development of governance mechanisms for place-based approaches by setting a clear policy direction across the federal government. Furthermore, it can facilitate the development of successful place-based decision-making by clarifying the principles guiding its interventions and its expectations, as well as by facilitating the exchange of information amongst various stakeholders.

### **(2) Knowledge management and priority building**

The federal government can lead by example by fostering its own capacity and by optimizing its own ability to use local knowledge in decision-making. It can also and provide local actors the data and policy-making tools they need to succeed at place-based initiatives and foster greater collaboration and knowledge-sharing among them. Finally, it can play the role of facilitator and broker to achieve international, interprovincial and interregional solutions to specific problems.

### **(3) The development of performance metrics**

The federal government can develop tools to evaluate the effectiveness of place-based initiatives and design its own performance metrics in a way that they are sensitive to local contexts, for example by including indicators of local performance.



## Opening Remarks

*Ian Shugart, Deputy Minister, Environment Canada*

Mr. Shugart launched the newest issue of *Horizons* that focuses on place-based decision-making for sustainable development. Together with Thomas Townsend, the Executive Head of the Policy Research Initiative, he co-wrote the introductory article entitled “Bringing ‘Place’ In—Exploring the Role of the Federal Government in Place-Based Approaches.”

Mr. Shugart stated that the issue of place is fundamental as all politics are local—people live in a particular context, a particular time, and occupy a particular space and place. Many environmental problems can be best solved by solutions that are found locally (although some environmental problems such as atmospheric issues are not bound to geographic locations). However, policy-making often fails to take place into account, and local solutions are often denied access because they do not fit with bureaucratic decision-making structures. This is also expressed in the following quote from the 2010 Speech from the Throne:

“Too often, however, grassroots efforts are hobbled by red tape. Too often, local solutions are denied access to government assistance because they do not fit the bureaucratic definition of the problem. Too often, the efforts of communities falter not on account of a lack of effort or heart, but because of a lack of expertise to turn good ideas into reality.”

Therefore, we need to take the different dimensions of place into account. In conclusion, Mr. Shugart suggested that we explore an ‘ecosystem of roles’ where a diversity of layers can interact dynamically and talk about different tools at their disposal for solving policy problems.

## Setting the Scene: Introductory Speech

*Charles Fluharty, Vice President, Rural Policy Research Institute (RUPRI), Columbia, United States*

Mr. Fluharty stated that Canada and the United States are on similar journeys when it comes to place-based approaches and as such the two countries can learn from one another. The Obama Administration has made place-based decision-making a priority and the administrative and legislative processes are now underway to bring more visibility to place-based approaches in the US. This emphasis on place-based decision-making is based on an interagency framework, which represent a significant development in the US context. The current emphasis on place-based initiatives is centered around four priorities: economic competitiveness, environmental sustainability, community health and access to opportunity, and safety and security.



While Mr. Fluharty strongly supported the emphasis on place-based approaches he noted that the current initiatives face a number of challenges. Communities, especially rural communities, are facing increasing fiscal challenges. The current economic climate and the ageing of the baby-boomers are creating rising social welfare costs. In this economic climate, funding for place-based initiatives is and will continue to be a challenge. Mr. Fluharty underscored the importance of developing clear and measurable tools with which to evaluate the value-added by place-based approaches. Furthermore, while knowledge chains from the community level are important, the federal seed in place-based approaches must also be visible.

## Panel Discussion on “Planet, People, Profit ... and Place”

The panel discussion consisted of three presenters who spoke briefly about their experiences with place-based decision-making. Following the speaker presentations, the audience had the opportunity to ask the panel questions (Charles Fluharty also participated in the Q&A session). The panel was chaired by Judy Watling, Director General, Sustainable Development Research and Analysis, Policy Research Initiative.

*Beverly Yee, Assistant Deputy Minister, Environmental Stewardship, Government of Alberta*

Ms. Yee’s presentation focused on Alberta’s move towards formalized, place-based decisions. Place-based approaches involve economic, environmental and social objectives and the trade-offs between them. They create a dynamic tension between the federal, provincial, and municipal levels of government.

Alberta’s shift to place-based decision-making addresses the contradictions that arise when policy-making occurs in silos. Place-based approaches were first formalized in Alberta in 2003 with the *Water for Life* strategy, which focused on watershed management. It represented a shift from command and control policies, to the use of broader, more innovative policy-making tools. Following *Water for Life*, the *Land-Use Framework* was introduced in 2008. The *Land-Use Framework* aims to: construct broader, more innovative policy-making tools and an aligned and enhanced regulatory system; broaden and extend place-based partnerships to integrate across air, water, land and biodiversity; establish broad-based alliances with all parts of society to share responsibilities for integrated outcomes; and for cumulative effects management to drive continuous improvement in approaches.

The implementation of these frameworks involved a shift in inter-departmental coordination in Alberta. Different approaches have been tried over time for such coordination to be effective in tailoring siloed structures to the needs of place-based frameworks.

In implementing place-based approaches the challenges are the same for Canada as a whole as they are for Alberta: regional differences, global pressures, ensuring expectations are met across the country. There is a need for a greater clarity of roles and resources amongst the various levels of government. Ms. Yee recommended “dropping the jurisdictional gloves” in order to help achieve common objectives.



*Christopher Stoney, Associate Professor, School of Public Policy and Administration, Carleton University and Centre for Urban Research and Education (CURE)*

Mr. Stoney stated that place matters greatly in terms of process and good policy. Municipalities currently face a fiscal challenge and lack revenue to meet their infrastructure needs. He highlighted two recent federal government infrastructure transfers, the Gas Tax Fund and the Infrastructure Stimulus Fund, and the different philosophical approach to place-based policy and local empowerment these two programs represent. The introduction of the gas tax transfer fund aimed to help remedy this fiscal imbalance and was sensitive to local needs and autonomy. Despite the widespread preference of municipal governments for lump-sum transfers (such as the gas tax transfer) rather than a project-by-project approval process, the federal government has chosen to utilize an application-based process to deliver the *Infrastructure Stimulus Fund (ISF)*. The benefits of this approach for the federal and provincial governments are: it offers more leverage for provincial and federal governments, it cannot be banked by municipalities, and it gives the federal government greater visibility and political capital, which is especially appealing in the current minority government situation. With the gas tax the federal government saw few direct rewards and little increase in its political capital.

From the perspective of municipal governments, the stimulus funding approach is problematic. It caused some local governments to bypass their top planning priorities to qualify for stimulus funding. Some municipalities had to reopen their budgets to determine priorities for stimulus funding bypassing democratic procedures, such as public consultations, in the process. This funding approach represents a planning disconnect between how municipalities plan for their infrastructure needs and how senior levels of government fund them.

Mr. Stoney argued that the following represent key barriers to the effective implementation of place-based policies: (1) The federal government may resist place-based policies because it wants to increase its visibility and role; (2) Federal and provincial governments have a strong fear of scandal and worry about accountability when funds are transferred (bureaucratic as opposed to local accountability); (3) The federal government also has an aversion to subsidiarity or 'deep federalism'. Mr. Stoney concluded that Ottawa needs to develop a better understanding of the impact that federal policies have on municipalities, and we need better long-term evaluation to understand the impact of resource distribution on municipalities.



*Evert Kenk, Consultant and Program Director, Pacific Marine Analysis and Research Association*

Mr. Kenk discussed federal role in place-based decision-making from a regional perspective. His presentation reflects on a study<sup>4</sup> that examined four place-based initiatives: Humber River Valley, Newfoundland; Bras d'Or Lake, Nova Scotia; the Eastern Ontario Model Forest; and the Foothills Research Institute, Alberta. Mr. Kenk offered some of the lessons learned from these initiatives.

Place-based initiatives face several challenges including: a lack of jurisdictional clarity due to the overlapping roles and responsibilities amongst various levels of government; the need to be both flexible and adaptable to regional differences; the need for improved knowledge sharing; and the need for greater support for systems and tools that compare the successes and challenges of place-based approaches. Mr. Kenk concluded with some thoughts about what really works for regional place-based management. For informal, bottom-up processes he underscored the importance of participation, collaboration and building trust. For formal, top-down processes he emphasized that engagement and not simply consultation is important. Overall, place-based management aims to improve our quality of life through a positive balance between society, culture, economy, and environment.

## **Key Points from the Panel Discussion**

Following the presentations the audience had the opportunity to ask questions of the four speakers (Charles Fluharty, Beverley Yee, Christopher Stoney, and Evert Kenk). **Judy Watling**, Director General, Policy Research Initiative, chaired the panel discussion. The following are some of the key points that arose from the panel question and answer session:

- Policy-making that occurs within silos is an ongoing challenge for the provincial and federal levels of government. Even when a government embraces a place-based approach, overcoming jurisdictional boundaries and departmental divisions will remain an ongoing challenge. Governments must continually evolve and improve upon their efforts to ensure that policy-making does not occur in silos.
- Boundaries and borders are also a challenge for municipalities. Cities must connect and think regionally in terms of policy problems and solutions (i.e. public transportation in the Ottawa-Gatineau region as opposed to the City of Ottawa).
- Capacity is an issue when authority is devolved to local governments, and must be improved. There needs to be consensus amongst the major players on the meaning of capacity.
- Senior levels of government must have confidence in the ability of local governments and populations in place-based initiatives. Local dialogue must have a legitimate place in the policy-making process.

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<sup>4</sup> Data Needs Assessment for Integrated Landscape Management (ILM) Decision Making Processes. Produced for GeoConnections, Natural Resources Canada. 2010.



## Roundtables and Priority Identification

Roundtable discussions are the focal point of *Critical Conversations* and occupy the biggest portion of the agenda.

The event included participants from twelve federal departments or agencies, one provincial department, and a provincial energy agency. Participants also included consultants, academics, and representatives from non-governmental organizations. Please see the **Appendix** for a list of participants and their affiliations.

The 35 participants were divided into five roundtables with assigned seating to ensure a diversity of views at each table. Following the speaker presentations, each table was asked to identify three priorities for place-based decision-making and the role the federal government should play. A priority for action was defined as something that is simultaneously urgent, important, and feasible. A lead actor was defined as a first mover or a champion for the implementation of a priority action. After the roundtable discussions, the Chairs from each table recorded their groups' priorities and the federal government's role on flipcharts. The Chairs then presented their table's main points to the plenary. Flipcharts were posted on the wall and each participant voted for their top priorities using up to three green dots (participants could assign all their dots to a single priority). Each participant also received one red dot, which could be used to mark a priority as undesired.

## Results from the Roundtables and Voting Exercise

The following tables are transcribed from flipcharts after the dot exercise. When read like a narrative, they provide a very good sense of the discussion and priorities for place-based decision-making. Green dots indicate votes in favour of a priority, and red dots indicate a vote against a priority (where applicable). Similar priorities were grouped according to theme, and the number of votes reported at the top of each table is the added total of the number in that table.



| Priority                                                                                    | Government of Canada Role                                                   | Green Dots | Red Dots |
|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|------------|----------|
| <b>Priority #1: Development of Governance Mechanisms</b>                                    |                                                                             | 38         | 1        |
| Governance: legitimate for place, information                                               | Clear policy direction across federal government                            | 12         | 0        |
| New common understanding of place-based policy and governance mechanisms to make it happen  | Catalyst, conveners, mediators                                              | 9          | 0        |
| Strong leadership—governance structure                                                      | Set expectations to be clear, national standards, scientific/evidence base  | 7          | 0        |
| Clarity—clear, concrete, objective. Develop partnerships, build consensus, scale/boundaries | Define scale, mutual respect and trust                                      | 6          | 0        |
| Legal frameworks, policy frameworks. Modernize.                                             | Sort out ecology of jurisdiction [in order to achieve] efficient mechanisms | 2          | 0        |
| Integrated and strategic planning                                                           | Bottom up, enable outcomes (integrated community sustainability plans)      | 1          | 1        |
| Common will, consensus on vision, principles                                                | Consensus building, capacity building, facilitation                         | 1          | 0        |





| Priority                                                                                                                    | Government of Canada Role                                                                                                | Green Dots | Red Dots |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|------------|----------|
| <b>Priority #2: Knowledge Management and Capacity Building</b>                                                              |                                                                                                                          | 30         | 0        |
| Knowledge/information and capacity— what stewardship models exist and how to choose application by issue. i.e. adaptability | Values/brokers, capacity enhancers, facilitator of “transboundaries” solutions                                           | 15         | 0        |
| Create space to create and share knowledge                                                                                  | Help to build capacity and provide tools                                                                                 | 9          | 0        |
| Align programs (build community capacity)                                                                                   | Federal government lead by example                                                                                       | 5          | 0        |
| Improved information management                                                                                             | Provide access, IMAGINE® CANADA                                                                                          | 1          | 0        |
| <b>Priority #3: Development of Performance Metrics</b>                                                                      |                                                                                                                          | 12         | 0        |
| New performance metrics that embraces uncertainty, fiscally responsible, open/transparent yet outcomes-based                | Continuity/relationship builders                                                                                         | 12         | 0        |
| Define Research Priorities                                                                                                  |                                                                                                                          | 6          | 0        |
| Defining policy research priorities for place-based approaches                                                              | Transboundary mandate, provide framework for all levels of government to participate (e.g. lever regional dev. agencies) | 6          | 0        |
| Issue identification                                                                                                        | Provide a framework, catalyst                                                                                            | 0          | 0        |
| Accountability to Citizens                                                                                                  |                                                                                                                          | 4          | 0        |
| Accountability to citizens in places                                                                                        | Find ways to engage communities (without capture; transparency)                                                          | 4          | 0        |



## **Together with the speaker presentations, the following three top priorities emerge:**

### **Priority #1: Development of Governance Mechanisms**

- The word ‘governance’ addresses decision-making processes and, thus, the concept of place-based *decision-making* is naturally entwined with governance issues. The design of governance mechanisms that ensure meaningful and successful place-based policies emerged as the top priority.
- The design of such governance mechanisms will require clarity and agreement on the meaning of key concepts such as ‘place-based policy’, ‘location’, ‘capacity’, and ‘accountability’.
- The federal government can play a leadership role in the development of governance mechanisms for place-based approaches by setting a clear policy direction across the federal government.
- Furthermore, it can facilitate the development of successful place-based decision-making by clarifying the principles guiding its interventions and its expectations, as well as by facilitating and by facilitating the exchange of information amongst various stakeholders.

### **Priority #2: Knowledge Management and Capacity Building**

- The largest number of votes was given to a priority on knowledge management. It pointed to the need to appreciate the existing models, to apply them contextually and adapt them. More research on the successes achieved and the challenges facing place-based initiatives is needed to capture lessons learned from a wide range of examples across Canada.
- The need to build capacity amongst stakeholder involved in place-based initiatives (especially at the local level) was underscored by both the roundtable exercise and the speaker presentations.
- There is a need for greater knowledge sharing amongst the various actors involved in place-based decision-making (knowledge encompasses data, information, and best practices).
- The federal government can lead by example by fostering its own capacity and by optimizing its own ability to use local knowledge in decision-making.
- It can also provide local actors the data and policy-making tools they need to succeed at place-based initiatives and foster greater collaboration and knowledge-sharing among them.
- Finally, it can play the role of facilitator and broker to achieve international, interprovincial and interregional solutions to specific problems.

### **Priority #3: Development of Performance Metrics**

- There is a need for tools to evaluate the effectiveness of place-based initiatives. In the current economic context of reduced fiscal prosperity, evaluative tools with which to assess the benefits of place-based initiatives can illustrate the value of this type of policy approach and make a case for devoting government funding to such initiatives.
- Also, existing performance metrics must be sensitive to local contexts, for example by including indicators of local performance.



In concluding remarks, a central obstacle was observed: the federal government has a strong tendency to use a standard, “one size fits all approach” when dealing with regional and local needs. Arguably, this is the very way the federal government has been designed and built. However, inter-jurisdictional issues require that governments at all levels focus first and foremost on objectives. By creating a “market” of roles and responsibilities, everyone should ask “what is my value added” before intervening. For place-based approaches to succeed, roles and responsibilities need to be clear and the federal government should strategically determine when it should engage in place-based issues. Ultimately it is more important for roles to reflect the capacity of stakeholders and the development of an integrated policy approach, rather than a strict adherence to jurisdictional responsibility.

These wise words perfectly summarize the essence of our discussion and should inspire good approaches to knowledge management, governance and, ultimately, the evaluation of performance.

## **Appendix: Participants and Affiliations**

### **Participants**

Martin Anderson, Graeme Auld, Teresa Bellefontaine, Judith Bossé, Mimi Breton, Bernard Cantin, Tony Charles, Sara Edge, Philip Enros, Richard Fitzgerald, Charles Fluharty, Mary Herbert-Copley, Terry Hubbard, Murray Journeay, Evert Kenk, Elizabeth Kristjansson, Henry Kucera, Sylvain Latour, Alexandre Lefebvre, Kathryn Lindsay, Ian Matheson, Susan Phillips, Hélène Quesnel, Clayton Rubec, Robert Shields, Andrea Short, Ian Shugart, Pablo Sobrino, Chris Stoney, Jean Thie, Jean-François Tremblay, Ruth Waldick, Judy Watling, Melanie Wiber, Beverly Yee.

(We list participants and affiliations separately because all attendees were asked to speak their mind as individuals rather than as representatives of a particular stakeholder group.)



## Attendee Affiliations

### Federal Department or Agency

- Agriculture Canada
- Agriculture and Agri-Food Canada
- Canadian Heritage
- Canadian Wildlife Service (Environment Canada)
- Environment Canada
- Fisheries and Oceans
- Health Canada
- Indian and Northern Affairs Canada
- Infrastructure Canada
- Natural Resources Canada
- Policy Research Initiative
- Public Health Agency of Canada

### Provincial Bodies

- Alberta Environment
- Ontario Power Authority

### Non-Governmental Organizations

- Centre for Environmental Stewardship and Conservation
- Rural Policy Research Institute (RUPRI)

### Consultants

- Ecoinformatics International Inc.
- Evert Kenk Consulting Ltd.
- Pacific Marine Analysis and Research Association

### Academe

- Management Science/Environmental Science, Saint Mary's University
- School of Geography and Earth Sciences, McMaster University
- School of Public Policy and Administration, Carleton University
- School of Psychology and Institute of Population Health, University of Ottawa
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## **The Regulatory Governance Initiative**

The Regulatory Governance Initiative (RGI) at Carleton University builds on the proven track record of Carleton's School of Public Policy and Administration to develop regulatory capacity and competence through research, education, and dialogue. Its scope is regulatory policy, governance, and management. Its approach is holistic and problem-driven. The RGI assembles expertise from the humanities, social and natural sciences as needed. For most projects, practitioners in the private, public and nonprofit sectors collaborate with scholars from the RGI network.

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