BUDGET / OFF-CYCLE PROPOSAL TEMPLATE GUIDANCE

*This document provides guidance to drafters of Budget or Off-Cycle proposals, and outlines the minimum information requirements for each proposal. Additional requirements or instructions may be communicated to Ministers by the Minister of Finance at the beginning of each budgetary cycle.*

*Budget and Off-Cycle proposals need to be detailed enough to answer any and all questions that may arise (e.g., costing methodology, policy rationale, stakeholder concerns, implementation feasibility, timelines, appropriate authorities), in order to inform decision-making by the Minister of Finance and Prime Minister.*

*Departments are encouraged to engage with working-level contacts at Finance Canada while drafting proposals, to address initial questions or feedback.*

# General Information

* Title that reflects the purpose of the proposal;
* Sponsoring Minister and Department (Other Departments if applicable);
* Specify whether the proposal relates to (1) a new initiative or activity, (2) the expansion of an existing initiative or activity, or (3) the renewal of an existing initiative or activity for which funding is slated to sunset (include the last fiscal year of funding);
* Specify whether the proposal is submitted for off-cycle consideration (e.g. if it relates to an immediate, unanticipated pressure). If an off-cycle decision is required, include a rationale in the space provided, including why this proposal cannot wait to be considered as part of the budget process;
* Specify whether the proposal requires new or amended legislation or regulation; and,
* Select the applicable Classification of Functions of Government1 expenditure category (only for expenditure-related proposals).

# Summary

Short description of the proposal, in 150 words or less, summarizing the funding proposal and expected results (i.e., the expected incremental change).

1 Classification based on the [OECD’s Classification of the Functions of Government](https://read.oecd-ilibrary.org/governance/government-at-a-glance-2017_gov_glance-2017-en#page258)

# Proposal Description

Describe the proposal in depth, focusing on the activities funding will support, including (but not limited to):

* Specification of what operating, grants and contributions, and capital costs will be used for;
* Authorities required and timelines (policy, legislative/regulatory); and,
* Discussion of expected outcomes.

# Background and Program Interactions

Provide contextual information, including (but not limited to):

* Connection to existing policies and programs, within or outside the organization (including, where applicable, provinces and territories). These policies and programs can be either explicitly connected with this proposal, play a complementary role in this space, or conversely detract from the objectives of the proposed program.
* Where applicable, references to past program evaluations, Auditor General reports, studies, legal risk assessments, and relevant Cabinet documents or public announcements (links to documents referenced should be included, or copies attached to the proposal).

# Rationale

Present the rationale supporting the proposal and clearly explain objectives, issues and expected results. The rationale section must demonstrate:

* How the proposal responds to a clear public policy challenge;
* Why government intervention is necessary, and if so, why at the federal level (as opposed to other levels of government);
* Why new funding is required (as opposed to internal reallocation or cost recovery); and,
* Justification for ongoing funding amounts, if applicable.

# Expected Impacts

Canada’s Quality of Life framework was released in Budget 2021, with a set of indicators to monitor Canadians’ well-being now and into the future. In March 2022, Statistics Canada released the beta version of its [Quality of Life Hub](https://www160.statcan.gc.ca/index-eng.htm), with the most recent data for most of these economic, social and environmental indicators.

Budget proposals should highlight how they contribute to the components of a quality of life in Canada, as measured by the framework domains and indicators. This will strengthen consistency across government in assessing the relative impacts (positive and negative) of proposals across domains and over time.

## Domains and Indicators

The template includes drop-down lists of Quality of Life framework **indicators**, grouped by framework **domain**.

Please select up to four indicator(s) per domain to which the proposal can be reasonably expected to contribute. Both positive and negative impacts should be considered. Create new rows as necessary, copying in the content from the relevant domain. In most cases, a maximum of six indicators in total, across domains should be sufficient. Please delete unused rows.

## Rationale

Briefly, in point form (a few words only) explain why the indicator in question has been selected. Is there evidence from prior, similar initiatives that this is a likely result (positive or negative)? Is there credible modelling with a forecast of expected impacts? While best practice is to include a forecast in the Expected Impacts narrative, we recognize that in many cases this threshold of evidence will not be available. Nevertheless, the emphasis should be on looking to past evaluations of similar initiatives, academic research, etc to substantiate claims about expected impacts. At the same time, the quality of life framework aims to encourage holistic thinking about relationships, trade-offs and synergies between the determinants of well-being. Please exercise your judgement, and clarify the level of certainty in this section. For example, a report about poverty could indicate a ‘thematic link’ in the rationale section, while the narrative below could clarify that while the report would not directly reduce poverty in and of itself, it could advance future policy development.

## Who is impacted?

For each indicator selected, please briefly identify who will be impacted (e.g. target population, region, sector, national, etc.). This will help to articulate where there are differential impacts or trade-offs across population distributions. This will also support an assessment of differences across domains and indicators as well as over time.

For example, an emissions reduction initiative could negatively affect *Employment* or *Household incomes* in one sector/region while at the same time positively affecting these same indicators in a different sector/region. Meanwhile, over the long term all Canadians could benefit from reduced *Greenhouse gas emissions*. Note that in this case it would be appropriate to repeat the same ‘Prosperity’ indicator on two separate rows, with a negative impact score in one row and a positive score in another row. This would highlight trade-offs, and the differential impacts per sector/region.

To complete this section, please draw on the completed to the GBA+ analysis (Annex 2) and to ensure consistency.

## Expected Impacts Text Box

Provide an overall summary, in 500 words or less of the incremental impacts the proposal is expected to achieve; that is, what will be different if this initiative is funded.

Provide indicators that will be used to assess the impact and effectiveness of the initiative, drawing in the first instance on indicators in the Quality of Life framework where relevant, and using other indicators as necessary. When including an indicator that is not in the framework, explain how the initiative contributes to a higher level outcome included in the framework, or otherwise contributes to Canadians’ quality of life.

Please include any expected impact modelling results (e.g., number of beneficiaries affected, how, and over what time period). Include contribution to Government targets if relevant, for example the Sustainable Development Goals.

Include consideration of negative impacts.

Please summarize highlights of Gender Based Analysis Plus Annex.

Please summarize highlights of the Strategic Environmental Assessment Annex. For departments included in Integrated Climate Lens pilot (ECCC, NRCAN, INF, ISED, TC, PS (emergency management only) and AAC), please include highlights of qualitative and, if applicable, quantitative analysis of economic and environmental impacts, noting where assessments have been vetted by the Department of Finance and/or the ECCC Centre of Expertise:

Please note any material considerations related to the timing of impacts, for example any differences between expected short-term and long-term impacts. Consider the long-term implications of the initiative, and any risk/resilience dimensions:

* Sustainability considerations could include the long-term value of investing in this area in terms of impact in any domain of the Quality of Life framework; such as positive and/or negative implications for long-term growth or fiscal sustainability, population health, social cohesion or natural capital arising from the initiative.
* Resilience considerations could include factors that positively or negatively affect Canadians’ robustness and capacity to respond to unanticipated developments and mitigate future risks (economic, financial, environmental, social, etc). This could include, for instance, abilities to prevent, react, transform and adapt; including through inter-governmental or international cooperative efforts to manage or reduce systemic risk.

## Expected Regional and Sectoral Impacts

In 150 words or less, please outline any regional and sectoral/or implications of the proposal, including the regional distribution of assets and resources.

For Integrated Climate Lens pilot departments, please include qualitative assessments of regional/sectoral economic impacts, and indicate whether this assessment has been vetted by the Department of Finance. Please also include a quantitative estimate of expected economic impacts, if one has been generated by the Department of Finance.

## Existing Program Results

For proposals to renew, or that are connected to, existing policies and programs (as outlined in the background section), please provide an overview of results achieved to date, including findings from relevant horizontal and program specific evaluations and audits.

# Costing

Provide a summary of the total gross and net cost of the proposal, including any new funding requirements and sources of funds. Substantive costing information (annual cash and accrual profiles, and FTEs) associated with the proposal, and, where applicable, information on current programs (for proposals to renew or expand) and regional distribution, must be provided using the [costing template](https://www.canada.ca/en/department-finance/services/publications/federal-budget/proposals/costing.html) provided by the Department of Finance, in Excel format. Detailed assumptions and key drivers of costs must also be provided, as well as breakdowns of costs per activity and costing models with formulae where appropriate.

For proposals to renew and/or expand existing programs, include a summary of previous funding authorities, funding allocations, and actual expenditures for recent fiscal years, including the current fiscal year ending, and explain any variance between expenditures and authorities (whether over, or under spent).

# Scalability / Alternative Options / Reallocation

Describe the scalability of the funding proposal, including the impact on expected outcomes if the proposal were to be funded at a lower amount than requested. Present at least one alternative delivery option or scaled version of the proposal with lower funding profile. Explain how these alternative options would affect the expected outcomes of the proposal. Propose opportunities to offset the costs of the proposal through internal reallocation of existing spending.

# Implementation

Describe how and when the proposal would be implemented, including (but not limited to):

* Whether the proposal would be ready to implement in the short-term following announcement, including readiness to seek supply and roll out programming at an early opportunity;
* What are the key implementation steps and milestones, when would they be met, and how would they be monitored;
* Evidence of recent departmental experience implementing comparable proposals on similar timelines (and/or demonstrable progress towards implementing other recent commitments);
* What are the roles and responsibilities of organizations (e.g., other ministers,

departments or agencies, outside partners, etc.) involved in delivering the proposal; and

* What are the key implementation risks.

A detailed implementation plan is expected at the Treasury Board Submission stage.

# (Legislative / Regulatory Changes)

Where applicable, specify whether legislation or regulation is to be amended or enacted to implement the proposal, provide a description, and indicate the status of preparation.

* *Charter Statement (if legislation is necessary):*

Under the *Department of Justice Act*, for every bill introduced in either House of Parliament, the Minister of Justice must table a statement that sets out potential effects of the bill on the rights and freedoms guaranteed by the *Canadian Charter of Rights and Freedoms*. If legislation is required in order to implement the proposal, Justice should be consulted early to ensure a Charter statement is prepared in time.

# Stakeholder and Communications Considerations

Identify stakeholder and communications considerations including any engagement undertaken to develop this proposal, anticipated stakeholder reaction, and recent media coverage.

# Proposed Public Description of Proposal

Describe, in 250 words or less, the proposed action(s), funding recipient(s), and expected result(s), in language suitable for publication (e.g., in the budget). As appropriate, include language to describe how the proposed initiative enhances Canadians’ quality of life including expected impacts that can be publicly communicated. For complex proposals, the use of charts, tables or infographics, as well as examples, is encouraged and the underlying data should be attached.

# Contact

Include the name, title, email address and telephone number of the primary contact(s) in your organization for Department of Finance analysts to contact regarding this proposal.

# Annexes (complete and attach to each proposal):

**Annex 1: Proposal Costing (**[**Excel**](https://www.canada.ca/en/department-finance/services/publications/federal-budget/proposals/costing.html)**)**

# Annex 2: Gender-Based Analysis Plus (GBA+)

* + All budget and off-cycle proposals must include a comprehensive and rigorous GBA+ summary, including a description of plans for disaggregated data collection. See the Department of Finance GBA+ [template](https://www.canada.ca/en/department-finance/services/publications/federal-budget/proposals/gba.html) and [guide](https://www.canada.ca/en/department-finance/services/publications/federal-budget/proposals/gba-instructions.html).

# Annex 3A: Strategic Environmental Assessment (SEA)

* + Results of the SEA – include analysis, any supporting documents, and a summary of key findings. If applicable, include an explanation of how the proposal is expected to affect the level of Canada’s greenhouse gas emissions, and the extent to which it aligns with the Government of Canada’s commitments to exceed Canada’s 2030 emissions target and achieve net-zero greenhouse gas emissions by 2050.

# Annex 3B: Integrated Climate Lens Template (for pilot initiatives)

# Annex 4: Additional information (as necessary)