



# Building the trust needed to accelerate adoption of a digital verifiable credential ecosystem for all Canadians

Digital Identity Laboratory of Canada (IDLab)  
Written Submission for the 2023 Pre-Budget Consultations

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## List of recommendations

- Recommendation #1: That the government invest in a pan-Canadian digital verifiable credential ecosystem, promoting:
  - the development of a pan-Canadian narrative to support the development and adoption of digital credentials; and
  - a pan-Canadian approach to ensure full usability of digital credentials across all jurisdictions.
- Recommendation #2: That the government allocate sufficient financial resources across all departments to ensure they can realize their existing digital transformation mandates.
- Recommendation #3: That the government invest in digital education and a public sector skills strategy to ensure the successful transition to a more secure digitally enabled workplace.

## Introduction

*Digital verifiable credentials (also known as digital ID) are the digital equivalent of government and private sector issued credentials such as a driver's licence, permit, university certificate, birth certificate, etc. that can be trusted online to the same degree that a physical credential can be trusted in person. Digital verifiable credentials are supported explicitly by the Treasury Board mandate and the recent "Digital Ambition 2022".*

The Digital Identity Laboratory of Canada (IDLab) is an independent non-profit entity dedicated to advancing digital trust by breaking down barriers to the adoption of digital verifiable credentials (also known as digital ID). With the ever-accelerating digital transformation of our society, the need to implement convenient, secure, and privacy-enhancing digital verifiable credentials is widely recognized.

Digital verifiable credentials will be essential for improving service delivery to Canadians, staying competitive in the global economy and fostering financial and social inclusion.

Canada needs to keep moving forward to strengthen the adoption of secure, privacy-enhancing and easy-to-use digital verifiable credential capabilities across the country and to continue to build up Canadians' trust across the socio-economic spectrum.

Recognizing the importance of trust in this endeavour, IDLab will continue to work closely with the federal government as we advance our mission to accelerate the adoption of digital verifiable credentials ID that works for all Canadians. As a technology neutral organization, we at IDLab believe we can make a unique contribution to assist governments and business as they move ahead with the adoption and implementation of these innovative systems. As an objective, independent non-profit organization offering tests and certifications of digital verifiable credential technology, we can help governments and other agencies demonstrate that effective, secure and privacy-enhancing verifiable credentials can be delivered to Canada's citizens and businesses and used easily across the country. In this way, we work to strengthen public trust, fight disinformation and advance digital government objectives that improve service to Canadians.

We are pleased to offer the following recommendations for the collective benefit of the public sector, private sector and Canadians as a whole.

**Recommendation #1: That the government invest in a pan-Canadian digital verifiable credential ecosystem, promoting:**

- **the development of a pan-Canadian narrative to support the development and adoption of digital credentials; and**
- **a pan-Canadian approach to ensure full usability of digital credentials across all jurisdictions.**

Implementing digital verifiable credentials offers significant advances in privacy, choice, security and ease of interactions to Canadians. It is also important to understand the economic potential of a fully operative, seamless system. An analysis by Consult Hyperion, for instance, found that the improved processing from digital verifiable credentials would result in a potential \$4.5 billion of added value to small and medium-sized businesses and reinvestments in the Canadian economy. Similar economic growth potential has been pinpointed by researchers, including McKinsey & Co., on a global basis. It is clear Canadian leaders need to pursue a strategy that allows our country to take part in these advances and remain competitive.

IDLab appreciates the government’s commitment to this project, as expressed in the Treasury Board mandate and the recent “Digital Ambition 2022” strategy paper, which said: “The COVID-19 pandemic highlighted the need for government services to be accessible and flexible in the digital age. The next step in making services more convenient to access is a federal Digital Identity Program, integrated with pre-existing provincial platforms.”

To keep moving forward, the federal government needs to bolster its participation in the deployment of digital verifiable credentials across the country. It is vital to ensure the creation of a pan-Canadian ecosystem that will uniformly provide benefits for citizens in every jurisdiction, prioritize the establishment of standards, and result in seamless, digital verifiable credentials that can be used easily across the country.

To reduce confusion, build trust and understanding, and ultimately drive adoption amongst Canadians, the government also needs to facilitate the creation and implementation of a pan-Canadian fact-based narrative on digital verifiable credentials that is consistently communicated across all jurisdictions. This engagement on a national basis is crucial to building a trusted pan-Canadian ecosystem that citizens can rely on.

**Recommendation #2: That the government allocate sufficient financial resources across all departments to ensure they can realize their existing digital transformation mandates.**

The federal government is pursuing an overarching program to transition from legacy systems to a fully digital operation, as outlined in “Canada’s Digital Government Strategy.” The program is being implemented based on guidance for public servants to develop open, agile and user-focused digital services and establish conditions for better integration of service delivery, information management, technology and cybersecurity.

The government deserves credit for advancing this multi-departmental objective. But, in its own acknowledgement, the government has said that the overall effort to reconfigure and modernize

its processing, with its many legacy systems, is still a challenging project. Simultaneously, the post-pandemic demands faced by the government show the urgency of moving the federal government's service capabilities to a higher level as soon as possible.

In that context, it is imperative that the government ensure that departments and agencies are provided with the sufficient funding to acquire the technology, training and advisory services needed to accelerate implementation of the digital transformation. Doing so will speed up the provision of better services for citizens, improve their interaction with the government and help rebuild trust in public institutions.

**Recommendation #3: That the government invest in digital education and a public sector skills strategy to ensure the successful transition to a more secure digitally enabled workplace.**

As the government is aware, the importance of education and training is key to the culture shift in government that is needed to take full advantage of potential operational and service upgrades through digital innovation.

It is also understood that significant hurdles remain in this effort, as noted in "Digital Ambition 2022," which said: "Outdated approaches, complex processes and governance structures are making it difficult for departments to deliver on their mandates and serve the public, and for the GC as a whole to implement changes rapidly."

Effective leadership and change management is obviously important. It is also clear that providing training and equipping the workforce to take advantage of digital tools can make a huge contribution to successful, government-wide digital transformation.

Upgrading skills and improving digital transformation education is an essential building block for departments and their employees as they develop the capacity and awareness to better serve Canadians. A specific focus on digital verifiable credential education and the accompanying investment in digital verifiable credential software solutions will help public servants to understand the benefit and appropriate use of secure, privacy-enhancing and easy-to-use digital verifiable credentials. This will propel our economy while keeping social inclusion front and centre. The result is a workplace that better understands how to use and where to leverage these secure and privacy-enhancing capabilities as part of the digital transformations of their workplace and Canada as a whole.

## **Conclusion**

IDLab would like to thank the House of Commons Finance Committee (FINA) for the opportunity to submit this pre-budget submission.

As we move ahead to realize a digital ecosystem for Canadian citizens, businesses and public sector agencies alike, IDLab is committed to making a full-scale contribution to this important

project. As a non-profit, technology-neutral organization that does not build or sell digital verifiable credential solutions, we can work with the federal government to ensure the adoption of appropriate, secure, and privacy-enhancing solutions that are easy-to-use across Canada and eventually the world. We will continue to do this work through our advisory and assessment services. These include supporting planning and design efforts with best practice advice and providing evaluations, tests, audits and certifications against references including standards, frameworks and best practices established by regulators, industries and communities. To provide meaningful coverage for those looking to advance the maturity of their digital verifiable credentials programs, we offer assessments not only for digital verifiable credentials but also in Privacy and Cyber Security as interrelated disciplines. This is crucial in promoting trust in digital initiatives.

We are committed to providing these services in conjunction with the government as decision makers move forward with the development of the much-needed cross-Canada digital verifiable credentials ecosystem. Please do not hesitate to contact IDLab for further information.