

**SUMMATIVE EVALUATION OF THE
COMMUNITY DIVERSIFICATION PROGRAM**

Final Report

September 2011

Acronyms used in this report

ATR	Associations touristiques régionales du Québec [regional tourism associations of Quebec]
BDC	Business Development Bank of Canada
BRG	Business and Regional Growth
CAF	Community Adjustment Fund
CD	Community Diversification
CED	Canada Economic Development
CFDC	Community Futures Development Corporation
CFP	Community Futures Program
CLD	Centres locaux de développement [local development centres]
CRÉ	Conférence régionales des élus [regional conference of elected]
EDI	Economic Development Initiative
FTE	Full-time equivalent
IQ	Investissement Québec
k	Thousand
M	Million
MAMROT	Ministère des Affaires municipales, des Régions et de l'Occupation du territoire [Quebec department of municipal affairs, regions and land occupancy]
MCCCF	Ministère de la Culture, des Communications et de la Condition féminine [Quebec department of culture, communications and the status of women]
MDEIE	Ministère du Développement économique, de l'Innovation et de l'Exportation [Quebec department of economic development]
MRC	Municipalité régionale de comté [regional county municipality]
MTOURQ	Ministère du tourisme du Québec [Quebec department of tourism]
n	Number
N/A	Not applicable
NPO	Non-profit organization
PAA	Program Activity Architecture
PCH	Department of Canadian Heritage
PD	2006–2011 Policy Directions
PSA	Program sub-activity
Qc	Quebec
R&D	Research and development
RBAF	Risk-based Audit Framework
RBM	Results-based management
RMAF	Results-based Management and Accountability Framework
ROC	Rest of Canada
RPP	Report on Plans and Priorities
RTAQ	Regional Tourism Associations of Quebec
SME	Small and medium-sized enterprise
7/21	The seven regions and 21 MRCs considered to be devitalized
\$	Dollar
%	Percentage

TABLE OF CONTENTS

SUMMARY	V
INTRODUCTION	10
1. GENERAL PRINCIPLES AND DESCRIPTION OF THE CD PROGRAM	11
1.1. PROGRAM CONTEXT	11
1.2. PROGRAM OBJECTIVES	11
1.2.1. Program components and results chain	11
1.2.2. Link to the Program Activity Architecture (PAA)	14
1.3. ELIGIBLE RECIPIENTS	15
1.4. HUMAN AND FINANCIAL RESOURCES ALLOCATED TO THE PROGRAM	15
1.5. PROGRAM IMPLEMENTATION CONTEXT	15
1.5.1. Overview of financial assistance	16
1.5.2. Overview of non-financial activities	17
2. EVALUATION STRATEGY	18
2.1. EVALUATION MANDATE	18
2.2. METHODOLOGY	19
2.3. SCOPE AND LIMITATIONS OF THE EVALUATION	19
2.3.1. Reference period and coverage of the evaluation	19
2.3.2. Limitations with respect to NPO project performance monitoring	20
2.3.3. Limitations of the analysis of efficiency and economy	21
2.4. EVALUATION MONITORING COMMITTEE	21
3. FINDINGS REGARDING THE RELEVANCE OF THE CD PROGRAM	22
3.1. CONTINUED NEED FOR THE PROGRAM	22
3.1.1. Is there still a need for the Community Diversification program?	23
3.1.2. Did the program activities meet the needs?	26
3.1.3. Are there other needs that could be met through the CD program?	31
3.2. ALIGNMENT WITH GOVERNMENT PRIORITIES	33
3.3. ALIGNMENT WITH FEDERAL ROLES AND RESPONSIBILITIES	35
3.3.1. CED's role in community diversification	35
3.3.2. Complementarity of CED activities	36
3.3.3. Incentive nature of the assistance	37
4. FINDINGS REGARDING CD PROGRAM PERFORMANCE	39
4.1. INTRODUCTION	39
4.2. EFFECTIVENESS (ACHIEVEMENT OF EXPECTED OUTCOMES)	39
4.2.1. Immediate outcomes	40
4.2.2. Intermediate outcomes	49
4.3. DEMONSTRATION OF EFFICIENCY AND ECONOMY	58
4.3.1. Review of management practices for grants and contribution programs	60

4.3.2	Overview of human resource use in the business offices	61
4.3.3	Client satisfaction with the quality of services and the administrative process	63
5.	RECOMMENDATIONS AND MANAGEMENT RESPONSE.....	65
	ENDNOTES.....	69

Summary

1. General principles and description of the *Community Diversification* program

On April 1, 2007, the Economic Development Agency of Canada for the Regions of Quebec (CED / the Agency) introduced a new transfer payment program, the *Community Diversification* (CD) program, to remain in effect until 2012. The goal of the program is to help improve people's lives by enabling communities to enhance their socio-economic development capacities, by supporting the emergence of new entrepreneurs, and by attracting qualified individuals and international organizations.

The program targets small and medium-sized enterprises (SMEs) with 500 employees or less, SME groups and associations, non-profit organizations (NPOs) whose principal mission is to support businesses and economic development, and organizations and institutions such as universities and teaching establishments.

Between April 1, 2007, and March 31, 2010, the Agency supported 610 CD program projects, for a total of over \$238 million in authorized financial assistance. The majority of the program recipients were NPOs (55% of projects); the rest were SMEs (45% of projects).

In addition to financial assistance, the Agency also provides six categories of non-financial activities: coaching services for clients, general information services, coaching services for potential clients, geographical development, industry sector development and promotion/representation.

2. Evaluation strategy

When the CD program was being developed, the Agency agreed to conduct a summative evaluation. In addition to meeting the requirements of the *Policy on Evaluation*, the evaluation of the CD program will also serve to support the development of future Agency programs. The reference period for the evaluation—April 1, 2007, to March 31, 2010—covers the first three fiscal years of the program. The evaluation process was divided up into three sections, each of which is linked to the issues addressed in the evaluation: 1) relevance; 2) effectiveness; and 3) efficiency and economy.

The evaluation was based on a variety of reliable data sources:

- a literature review;
- an analysis of administrative and performance data;
- four focus groups;
- four case studies of NPOs that carried out projects funded under the CD program;
- three case studies of regional county municipalities (MRCs);
- an analysis of secondary sources (e.g., the Agency's annual surveys); and
- a benchmarking study of regional development organizations and programs.

The main methodological limitations are as follows:

1. *The reference period and coverage of the evaluation* (given the short reference period, there were very few “mature” projects because of the limited number of so-called “completed” projects).
2. *NPO project performance monitoring* (the results of NPO projects must be observed among the NPO’s own clients, which makes it more difficult for the Agency to ensure longer-term performance monitoring, given that not many organizations have this monitoring capacity).
3. *The lack of data on all the various costs.*

For the purposes of the CD program summative evaluation, a monitoring committee was set up with a mandate to

- comment on the various documents that will be produced;
- support the evaluation team in terms of taking into consideration the context surrounding the programs’ development and implementation, and the results obtained; and
- provide advice and guidance during all steps of the evaluation process with a view to maximizing the usefulness of the evaluations for CED.

3. Findings regarding the relevance of the CD program

3.1 Continued need for the program

There is still a need for the program. The conditions that were in place when the program was created still exist; in fact, some of them have even worsened. From a financial standpoint, the majority of the SME and NPO projects could not have been carried out without CD program funding. In addition, the majority of the funding granted under the program went to the most devitalized regions and communities (7/21), proof that the resources were used where the need was greatest.

From a non-financial standpoint, the majority of clients and stakeholders have indicated that support from the business offices meets their needs through coaching and assistance for their projects and the development of their communities.

3.2 Alignment with government priorities

Based on an analysis of the most recent government documents (e.g., Throne Speeches, budget speeches, etc.), it can be concluded that, in general, the three components of the CD program have been in line with the priorities of the Government of Canada since the program was first announced in 2007. These documents place greater emphasis on *Community Development* than on *Community Mobilization* and *Attractive Communities*.

3.3 Alignment with federal roles and responsibilities

CED’s role in the economic development of the regions of Quebec is clearly defined in its enabling legislation. There are other players who are also involved in the economic development of the regions; however, their activities complement those of CED, since there is sufficient need and the CD program is amply flexible. Moreover, CED is often the only federal player involved in financing packages for CD

program projects, and there are few private funding sources (particularly for projects under the *Community Mobilization* and *Attractive Communities* subcomponents). In addition, CED's support allows proponents to obtain financial assistance from funding providers.

4. Findings regarding CD program performance

4.1 Immediate outcomes

The analysis of performance monitoring data shows that, in general, the projects supported by CED attained their targeted outcomes.

Component 1: *Community Mobilization*

The majority of the *Local planning* projects achieved their targets. Assistance granted to NPOs allowed 5 communities to mobilize and 31 communities to develop plans, and led to the implementation of 44 initiatives or projects. However, the achievement of targets in the case of *Integration of target groups* projects was lower than expected. To date, 14 of the 134 target group organizations have been involved in integration projects. The gap of 120 organizations can be attributed to a project currently under way.

Component 2: *Community Development*

Under the *Entrepreneurship* subcomponent, funding for NPOs led to the startup of 46 enterprises, which is higher than the targeted objective. The vast majority of the projects carried out by SMEs under the *Local and regional enterprises* subcomponent achieved their objectives. In the case of projects carried out by NPOs, despite the fact that some of them were still under way, the target for the number of enterprises developed was exceeded (66 SMEs developed).

Component 3: *Attractive Communities*

The majority of the projects under the *Tourism* subcomponent achieved their objectives. The assistance granted resulted in the development of 25 plans and 17 joint tourism offerings, as well as the implementation of 3 growth-generating tourism projects. In the case of projects under the *Attractive assets* subcomponent, outcomes were achieved or are in the process of being achieved.

4.2 Intermediate outcomes

Since the Agency did not set targeted outcomes for the CD program, it is impossible to know to what extent the program contributed to the achievement of expected intermediate outcomes. This having been said, the following section lists the intermediate outcomes attained.

Component 1: *Community Mobilization*

The objective of *Local planning* activities was to allow communities to pursue development visions and implement the ensuing initiatives. In general, the projects supported by CED appear to have achieved the targeted outcome, despite the adverse economic conditions. In the case of

activities involving the *Integration of target groups*, it is impossible to document the achievement of outcomes because of the limited number of projects and the lack of data on their performance.

Component 2: Community Development

Entrepreneurs and enterprises supported by CED contribute to their community's economic stability and growth. In the case of the *Local and regional enterprises* subcomponent, the majority of the SMEs directly supported by CED maintained or increased their sales (79% of the projects) and the number of jobs (91% of the projects), despite the difficult economic situation. Since the quantitative data for NPO projects under the *Local and regional enterprises* subcomponent is fragmentary, it is impossible to assess the intermediate outcomes attained.

Component 3: Attractive Communities

In the case of the vast majority of the projects carried out by NPOs, it is difficult to assess the longer-term scope of the outcomes obtained, given the fragmentary nature of the data gathered through the performance monitoring process.

Furthermore, the reliability of the *Tourism* subcomponent outcomes is limited, given the variety of collection methods and sources of performance information. This having been said, performance data compiled shows that the vast majority of tourism project proponents reported an increase in the number of tourists in the targeted markets, or an increase in the overall number of tourists. In contrast, the number of tourists from outside Quebec dropped by 4.3% between 2007 and 2010.

As concerns the *Attractive assets* subcomponent, it is impossible to report on the overall outcomes because of the highly variable nature of the projects. Visitor data specific to each project shows that only one of the nine projects achieved the targeted outcome; six others are still under way.

4.3 Demonstration of efficiency and economy

Notwithstanding the limitations identified and the lack of intermediate outcome and cost targets, the financial resources appear to have been used efficiently. Financial assistance was granted to projects that would not have been able to go ahead without CED's support. In addition, the Agency ensures that the nature of the assistance is in line with the enterprises' financial capacity. In terms of human resource management, the introduction of an innovative practice, the Activity Information System (AIS), allows the Agency to monitor the use of human resources in the business offices for financial and non-financial activities. In this regard, certain management aspects could be explored at greater length with a view to identifying potential efficiency gains.

5. Recommendations

1. When developing a program or an initiative, the Agency should clearly document the needs to be met and the expected outcomes so that they can be rigorously measured and evaluated.
2. The Agency should simplify performance measurement and reduce the number of indicators used. In the case of the summative evaluation, the performance analysis was based solely on a small number of the indicators used. The Agency should also develop and implement a performance measurement strategy in order to improve the monitoring of NPO project outcomes.
3. The Agency should establish outcome targets for its new programs. These targets would ensure better reporting of the programs' efficiency and effectiveness, and would meet the requirements of the Treasury Board Policy on Management, Resources and Results Structures.
4. For its new programs, the Agency should develop an appropriate costing framework that establishes the value of the resources used to obtain an activity, output or outcome. The Agency should also include, in the performance measurement strategies for its new programs, a framework for analyzing efficiency, along with the associated indicators.

Introduction

The following is a summative evaluation report on the *Community Diversification* (CD) program. Canada Economic Development (the Agency) made a commitment to Treasury Board to conduct a summative evaluation of the CD program. The *Business and Regional Growth* (BRG) program was evaluated at the same time.

Pursuant to the *Policy on Evaluation* (2009), the evaluation mandate focused on the issues of relevance, effectiveness, efficiency and economy. The period under review extended from April 1, 2007, to March 31, 2010.

The evaluation framework, which specified the evaluation questions and the methodology used, was approved by the Departmental Evaluation Committee (DEC). Two presentations on the preliminary findings of the evaluation were made halfway through the process. The report and the action plan were approved in October 2011.

In addition to complying with the requirements of the *Policy on Evaluation*, this evaluation of the CD program will also serve to support the development and implementation of future Agency programs.

The report has five sections:

- The first section provides a profile of the CD program and details about its various components.
- The second section describes the evaluation approach, including the evaluation issues addressed and the methodological limitations.
- The third section presents the findings related to each evaluation question.
- The fourth section outlines the recommendations.
- The fifth section concludes with management's response to the recommendations in its action plan.

1. General principles and description of the CD program

1.1. Program context

The mandate of the Agency is to promote the economic development of Quebec's regions, giving special attention to those where economic growth is slow and employment opportunities inadequate, with the long-term goal of increasing prosperity and employment.

In order to carry out its mandate, the Agency developed two new transfer payment programs: *Community Diversification* and *Business and Regional Growth*. These two programs are the Agency's principal regular programs in effect from April 1, 2007, to March 31, 2012.¹

1.2. Program objectives

The CD program helps the Agency achieve the following strategic outcome: *The regions of Quebec have a competitive and diversified economy*, by allowing the Agency to take action to address various issues, with a view to fostering regional economic development. The key issues are

- the demographic changes observed, such as population decline and the aging of the population, combined with difficulties attracting and retaining immigrants, especially those with professional qualifications;
- a weak entrepreneurial culture in some of the devitalized regions; and
- the lack of value placed on a number of famous Quebec tourist attractions that could have the potential for attracting foreign tourists and strengthening cultural identity.²

1.2.1. Program components and results chain

With a view to supporting Quebec communities as they address these challenges, the CD program aims to help improve people's lives by enabling communities to enhance their socio-economic development capacities, by supporting the emergence of new entrepreneurs, by creating small and medium-sized enterprises and by attracting and retaining qualified individuals and international organizations.³ The program has three components: 1) *Community Mobilization*; 2) *Community Development*; and 3) *Attractive Communities*. The logical framework of the CD program, including the outputs and immediate and intermediate outcomes, is presented in Table 1.

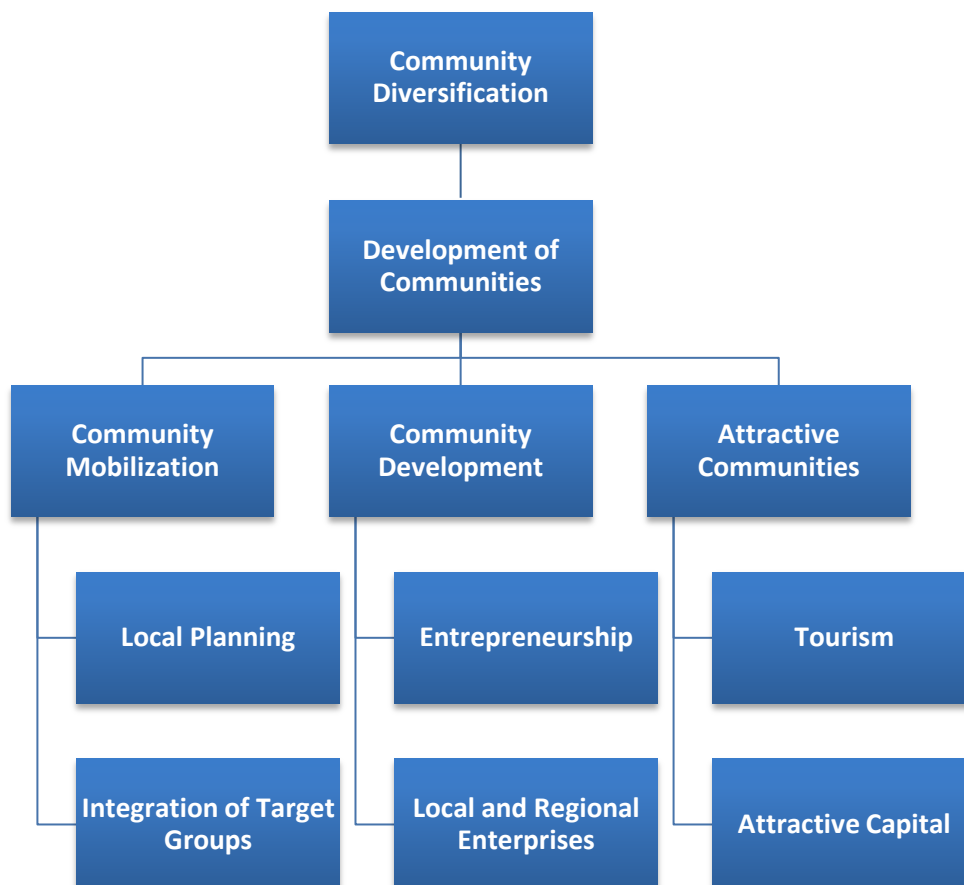
Component 1	The <i>Community Mobilization</i> component is based on the theory that the intensity of the links developed within a community, the strength of the consensus around a vision and the existence of a development plan are determining factors in terms of the community's vibrancy and dynamism. The objective of this component is to foster the development of social capital through the establishment of visions and development and diversification plans, as well as through local development and the integration of groups that are marginalized in terms of development, with a view to increasing mobilization within communities and enhancing the communities' capacity to take charge of their own development.
Component 2	The <i>Community Development</i> component ⁴ is based on the program theory that the vitality of a community depends on its propensity to encourage the emergence of entrepreneurs and initiatives (projects and enterprises). The objective of this component is to help communities take charge of their own development by providing support for entrepreneurship and the creation, development and maintenance of viable enterprises with local and regional reach, with a view to increasing the number and quality of enterprises and entrepreneurs.
Component 3	The <i>Attractive Communities</i> component ⁵ is based on the theory that the presence of tourism assets and activities raises a community's profile. The objective of this component is to enhance drawing power through tourism outreach and the presence of assets that raise community profiles, with a view to increasing the number of tourists and attracting and retaining qualified individuals and international organizations, which in turn leads to enhanced vitality and prosperity.

Table 1 Results chain for the <i>Community Diversification</i> program			
Strategic Outcome	COMMUNITY DIVERSIFICATION		
	Dynamic and revitalized communities that have a better socio-economic outlook and are developing their economic activity base.		
Ultimate Outcomes	1.1 COMMUNITY DEVELOPMENT		
	Development initiatives and projects generate socio-economic spinoff within communities.	Communities benefit from enterprises that generate employment and wealth, diversify the economic fabric and yield sustainable economic benefits within communities.	Communities are attractive. They attract and retain tourists and skilled individuals (skilled or creative labour), which results in socio-economic spinoff for the communities.
Intermediate Outcomes	1.1.1 Community Mobilization¹	1.1.2 Local Development	1.1.3 Attractive Communities
	<u>Local planning</u> : Communities pursue a development vision and implement related initiatives.	<u>Entrepreneurship</u> : Entrepreneurs have business projects.	Communities are recognized for their distinctiveness, brand image or outreach.
	<u>Initiatives and target groups</u> : Target groups participate in local and regional initiatives and structures.	<u>Local and regional enterprises</u> : Enterprises contribute to their community's economic stability and growth.	
Outputs / Immediate Outcomes	<u>Local planning</u> <ul style="list-style-type: none"> Development stakeholders are mobilized around development issues specific to their communities. Development stakeholders have a vision, as well as development and diversification plans. Communities implement development projects and initiatives. <u>Integration of target groups</u> <ul style="list-style-type: none"> Target groups participate in their community's economy. 	<u>Entrepreneurship</u> <ul style="list-style-type: none"> Would-be entrepreneurs have access to direct, tailored support. <u>Local and regional enterprises</u> <ul style="list-style-type: none"> SMEs are created. SMEs develop and consolidate to maintain or create jobs. 	<u>Tourism</u> <ul style="list-style-type: none"> Tourism development stakeholders have organized and have built a development and marketing plan for their tourism offering. An enhanced tourism offering attracts more tourists from outside Quebec. Marketing activities are implemented, increasing the number of tourists from outside Quebec. Growth-generating projects are implemented, thus increasing the number of tourists from outside Quebec. <u>Attractive assets</u> <ul style="list-style-type: none"> Communities develop in a way that enables them to have a potentially attractive asset. Communities have collective facilities to increase or consolidate their economic development.

Source: Manual on Program Performance Measurement, March 2009

1.2.2. Link to the Program Activity Architecture (PAA)

The activities carried out under the CD program are grouped under the *Development of Communities* program activity and three program sub-activities: *Community Mobilization*, *Community Development* and *Attractive Communities*.⁶ Besides the CD program, CED uses other programs and initiatives to carry out this program activity, including the *Community Futures Program* (CFP), the *Economic Development Initiative* (EDI) and the *Support Initiative for International Cruise Development Along the St. Lawrence and Saguenay Rivers* (referred to as the Cruise Initiative). The CFP is a federal program carried out in the various regions of Canada. Interventions via this program fall under the *Community Mobilization* and *Community Development* sub-activities. The objective of the EDI in support of the *Roadmap for Canada's Linguistic Duality* is to foster the economic development of official language minority communities. The aim of the Cruise Initiative is to support the development of the cruise industry, which is expected to enhance economic diversification efforts in the areas along the shores of the St. Lawrence and Saguenay rivers, and increase the ability of these communities to attract tourists from outside Quebec. The chart below shows the *Development of Communities* program activity.



1.3. Eligible recipients

The goal of the CD program is to help the regions of Quebec maintain and develop their economic activity base. Eligible recipients are as follows: small and medium-sized enterprises (SMEs) with 500 employees or less, SME groups and associations, non-profit organizations (NPOs) whose principal mission is to support SMEs and economic development, municipalities and knowledge institutions.

1.4. Human and financial resources allocated to the program

Table 2 lists the human and financial resources earmarked for the implementation of the CD program, per fiscal year.

Table 2 Human and financial resources set aside for the CD program (2007-2008 to 2011-2012)

Resource Types	2007–2008	2008–2009	2009–2010	2010–2011	2011–2012	Total
Community Diversification (CD) Program						
– FTE*						173
– Contributions (in thousands of \$)	\$80,790	\$81,048	\$81,048	\$81,048	\$81,048	\$404,982
– Grants (in thousands of \$)	\$1,080	\$1,080	\$1,080	\$1,080	\$1,080	\$5,400
Total	\$81,870	\$82,128	\$82,128	\$82,128	\$82,128	\$410,382

* The FTEs (full-time equivalents) in this table are divided among the business offices and Head Office.

Source: CED, *Risk-based Audit Framework and Results-based Management and Accountability Framework*, Grants and Contribution Program, *Community Diversification*, August 2007.

1.5. Program implementation context

When delivering its programs, the Agency adjusts its activities based on the needs of each region. As a result, each of the Agency's 14 business offices has to develop business plans tailored to the needs of their community. It is the business offices that meet with proponents, and process and analyze applications for financial assistance, which are then submitted to Head Office for approval by the Minister. Various branches oversee the operational coherence of the programs by setting up coordination, planning and monitoring processes and providing program managers with the tools they need to ensure the coherent delivery of the program.

During the program's lifecycle, a number of economic and organizational factors have had an impact on the program's implementation. When the program was originally designed, terms and conditions and general objectives were defined in order to address regional economic development issues and opportunities. During the course of the program's implementation, guidelines, internal tools and priorities have been established to provide a framework for the program's operations.

- During the period from 2007–2008 to 2009–2010, the Agency established various priorities in its Reports on Plans and Priorities (e.g., to strengthen the economic diversification of regions and

communities with low economic growth by focusing its activities on specific regions [the 7/21 areas] and specific CD program components.⁷⁾

- CED streamlined its activities targeting NPOs by issuing an operational directive on financial assistance for this type of proponent (November 2007).⁸⁾
- In 2009, in order to minimize the impact of the economic slowdown over the short term, CED broadened the activities and eligible costs of its regular programs (BRG and CD), with a view to helping create and maintain jobs.⁹⁾

1.5.1. Overview of financial assistance

Between April 2007 and March 2010, the Agency supported 610 projects through a \$238.2 million investment in the CD program. CD program recipients included SMEs (45% of projects) and various other organizations (55% of projects): municipalities, organizations representing various target groups (e.g., the Aboriginal and Anglophone communities), tourism organizations, etc.

Table 3 presents the number of projects and the financial assistance awarded under each program component and subcomponent for the fiscal years covered in the evaluation.

Table 3 Breakdown of projects and financial assistance by fiscal year and component

Component/subcomponent	2007–2008		2008–2009		2009–2010		Total	
	n	\$	n	\$	n	\$	n	\$
Community Mobilization	12	1,551,981	14	605,568	36	3,686,677	62	5,844,226
Local planning	12	1,551,981	13	536,305	33	3,255,188	58	5,343,474
Integration of target groups		0	1	69,263	3	431,489	4	500,752
Community Development	115	14,660,756	92	18,800,483	54	16,620,986	261	50,082,225
Entrepreneurship		0	3	748,578	2	194,000	5	942,578
Local and regional enterprises	115	14,660,756	89	18,051,905	52	16,426,986	256	49,139,647
Attractive Communities	53	35,161,181	96	58,132,823	138	89,017,074	287	182,311,078
Tourism	44	13,686,653	88	42,963,383	131	82,245,052	263	138,895,088
Attractive assets	9	21,474,528	8	15,169,440	7	6,772,022	24	43,415,990
Total	180	51,373,918	202	77,538,874	228	109,324,737	610	238,237,529

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010

1.5.2. Overview of non-financial activities

Business office employees enter the hours they spend on various activities in the Activity Information System (AIS). A total of six development activity categories are defined in the Agency's *Program Management Manual*.¹⁰ They are

1. Coaching services for clients (NPOs and enterprises)
2. General information services
3. Coaching services for potential clients
4. Geographical development
5. Industry sector development
6. Promotion/representation

Table 4 shows the number of hours worked for non-financial or development activities during the period from November 2008 to October 2010. The data are limited to the business offices. Because of the flexibility of business office personnel, these data apply to all Agency activities (all programs combined). Non-financial (or development) activities account for approximately 11% of the hours worked at the business offices (see section 4.3.2). These various activities are conducted with a view to undertaking funding activities with new clients for the benefit of the regions. For example, geographical development activities include all the different economic facilitation activities targeting mobilization or co-operation associated with the launch, development or implementation of strategies or projects in a targeted area. Once completed, these activities may lead to financial assistance projects (for example, a project involving financial assistance for an NPO to support community mobilization).

Table 4 Breakdown of hours worked, by development activity (Nov. 2008 to Oct. 2010)

Type of development activity	Hours	% of time spent on development activities
Coaching services for clients	5,893	11.7
• Coaching for NPOs	3,042	6.0
• Coaching for enterprises	2,851	5.6
General information services	10,417	20.6
Coaching services for potential clients	12,534	24.8
Geographical development	5,578	11.0
Industry sector development	8,670	17.1
Promotion/representation	7,462	14.8
TOTAL	50,554	100.0

Source: Activity Information System (SIA)

2. Evaluation strategy

2.1. Evaluation mandate

When the CD and BRG programs were designed, the Agency pledged to conduct both a formative and a summative evaluation of these programs. In addition to complying with the requirements of the Policy,¹¹ the CD program evaluation will serve to support the development of future Agency programs.

During the planning of this evaluation, some 10 or so interviews were held with Agency directors and analysts to identify concerns and information needs with respect to the CD program. A number of information needs were identified, including the need to

- use the evaluation findings and analyses to support the Agency's next strategic framework and the renewal of its programs;
- take into consideration both the financial and non-financial activities of CED; and
- examine the relevance and effectiveness of activities in devitalized regions.

The wording of the issues prescribed by the *Directive on the Evaluation Function*¹² was adjusted to meet Treasury Board requirements and the Agency's needs (see Table 5).

Finally, the evaluation process was divided up into three sections, each of which is linked to the issues addressed in the evaluation: 1) relevance; 2) effectiveness; and 3) efficiency and economy.

Table 5 List of *Community Diversification* program evaluation questions

ISSUE: RELEVANCE	
Continued need for the program	
1.	Is there still a need for the <i>Community Diversification</i> program? Were needs met by the program's financial and non-financial activities? Are there other needs that could be met through the <i>Community Diversification</i> program?
❖	Are the <i>Community Diversification</i> program components relevant in terms of fostering community diversification?
Alignment with government priorities	
2.	To what extent were the objectives and expected outcomes of the <i>Community Diversification</i> program in line with government priorities when the program was designed? Are they in line with the government's current priorities?
Alignment with federal roles and responsibilities	
3.	Is the support provided under the <i>Community Diversification</i> program in line with the federal government's roles and responsibilities?
ISSUE: PERFORMANCE (EFFECTIVENESS, EFFICIENCY AND ECONOMY)	
Achievement of expected outcomes (Effectiveness)	
5.	What are the key immediate outcomes achieved by the <i>Community Diversification</i> program?
6.	To what extent does the <i>Community Diversification</i> program contribute to the achievement of expected

intermediate outcomes?
Demonstration of efficiency and economy
7. To what extent does the Agency make efficient use of its human and financial resources allocated to the <i>Community Diversification</i> program?
8. Could the same results be achieved through other means at a lesser cost?

2.2. Methodology

To ensure that the evaluation questions were appropriately addressed, a variety of data collection methods and information sources were used. In accordance with the *Standard on Evaluation for the Government of Canada*, the evaluation was based on both quantitative and qualitative analyses, including

- a review of the key Government of Canada priority documents, socio-economic analyses and studies pertaining to economic issues;
- an analysis of administrative and performance data taken from the Hermès management system (hereinafter referred to as the Hermès system) and the AIS, which is used to compile time spent on various project activities;
- four focus groups, held in various regions of Quebec and attended by some 30 heads of enterprises and NPOs that had received financial assistance from the Agency;
- nine case studies (three focusing on activities in three MRCs, and four focusing on NPOs that received funding under the CD program); and
- an analysis of secondary data, i.e., data from the Agency's annual surveys, the primary purpose of which is to gauge client satisfaction with the quality of the Agency's services, and a benchmarking study on regional development organizations and programs.

2.3. Scope and limitations of the evaluation

When the evaluation strategy was being developed, various measures were taken into consideration to ensure that the data provided would be as credible and as accurate as possible. This section describes the principal limitations of the evaluation.

2.3.1. Reference period and coverage of the evaluation

During the reference period—April 1, 2007, to March 31, 2010—there were very few “mature” projects. The reference period corresponds to the first three fiscal years of the *Community Diversification* program, and few of the CD program projects approved in 2007–2008 and 2008–2009 had been completed. The evaluation of the effectiveness of the CD program is therefore limited in scope.

Furthermore, AIS data is based on self-declaration by staff members of the time spent on various activities over a period (November 2008 to October 2010) other than the one used for authorized projects.

2.3.2. *Limitations with respect to NPO project performance monitoring*

The performance measurement strategy is based on the monitoring of project outcome data observable up to two years after each project has been completed. To ensure their credibility and uniformity, the data must come from reliable sources. For example, data regarding the monitoring of businesses' financial results (such as their net sales) comes from the businesses' financial statements. In the case of NPO project performance monitoring, the data mainly come from their annual reports or the expected project deliverables (e.g., the copy of studies or plans carried out).

Unlike projects carried out by SMEs, where the outcomes can be extracted from the financial statements (e.g., net sales variance), NPO projects generally involve support for SMEs or communities. As a result, NPO project outcomes must be observed in the community or among the NPO's own clients, which makes longer-term performance monitoring more complicated. The Agency had planned to conduct a study among enterprises that had received services from NPOs in order to measure the achievement of intermediate outcomes; however, for various reasons, including logistical reasons, the study could not be carried out.

The data available on the performance of NPOs focus primarily on the immediate outcomes achieved by the enterprises receiving support, and much less on the intermediate outcomes targeted by CED. NPO project monitoring, therefore, does not allow for a comprehensive evaluation of effectiveness.

To overcome this limitation, case studies and focus groups were carried out for NPOs involved in projects under various subcomponents: *Entrepreneurship, Local and Regional Enterprises, Tourism* and *Attractive assets*. Given the qualitative approach, it is impossible to generalize and to apply the specific outcomes to all projects. On the other hand, these case studies illustrate the nature of the outcomes achieved by the communities and enterprises supported by these organizations.

Case studies – Description of the NPOs

- **Entrepreneurship:** The mission of the *Centre d'entrepreneurship HEC-POLY-UdeM* is to get universities interested in innovation and entrepreneurship and to provide tangible support for the creation of new businesses. The Centre received \$119,000 in financial assistance for a project aimed at supporting the pre-startup and startup of new businesses.
- **Local and Regional Enterprises:** The *Corporation de développement économique de Nicolet* received \$381,000 in financial assistance for a project to set up a food processing industry incubator (CITAN) in Nicolet. The objective of the project is to foster the development of agri-food enterprises by providing infrastructure that meets provincial inspection standards, technical support, training and the research infrastructure needed to develop new products.
- **Tourism:** *Tourisme Outaouais* received \$2.9 million in funding from CED for three projects involving marketing outside Quebec. This regional tourism association comprises over 500 tourism businesses involved in the region's attractions, accommodation facilities and restaurants.
- **Attractive assets:** The *Corporation de développement industriel et commercial de la région de Val-d'Or* was granted \$3 million in funding to support the establishment of the *Centre de Transit Minier Nordique* (CTMN). The Centre's mission is to meet the needs of mining companies and their suppliers relating to the transportation of goods and personnel to mining sites when air travel is the only option because of the remoteness of the sites.

2.3.3. Limitations of the analysis of efficiency and economy

This section of the report presents several major limitations.

First of all, the Treasury Board Secretariat has not issued any guidelines regarding the evaluation of the efficiency and economy of government programs, and there are no examples of program evaluations that include an in-depth quantitative analysis of efficiency and economy.

Secondly, the Agency does not have all the data on the human resources used to carry out the various activities required for the delivery of its programs. AIS data are based on self-declaration by the staff members involved, and pertain solely to the time spent by the business offices; they do not include resources used by other directorates and internal services. In addition, not all of the available data can be broken down by program. Consequently, the analysis of efficiency and economy is the same for the CD and BRG programs.

Thirdly, there are no cost targets and there are no available data that allow for a comparison with other departments. The outcomes of the two programs were therefore used for mutual benchmarking.

2.4. Evaluation monitoring committee

For the purpose of the summative evaluations of the CD and BRG programs, a monitoring committee was set up, with a mandate to

- comment on the various documents produced (evaluation frameworks, data collection tools, communication strategy, interim reports and the final report);
- support the evaluation team in terms of taking into consideration the context surrounding the programs' development and implementation, and the results obtained; and
- provide advice and guidance during all steps of the evaluation process with a view to maximizing the usefulness of the evaluations for CED.

This committee, chaired by the Director General of the Departmental Performance Branch, was made up of management representatives from the various sectors of the Agency (the Operations, and Policy and Planning sectors and the Communications Branch).

On a number of occasions, the committee members were asked to comment on the evaluation frameworks, the choice of case studies and the sites for the focus groups, and the interim and final reports.

3. Findings regarding the relevance of the CD program

3.1. Continued need for the program

Summary

3.1.1 Is there still a need for the *Community Diversification* program?

The purpose of the program, namely to enhance conditions conducive to the vitality of Quebec communities, is still valid. The economic conditions that were present when the program was first created still exist; in fact, some of them have even worsened.

3.1.2 Have the program's activities met the needs?

From a financial standpoint, most of the SME and NPO projects would not have been able to go ahead without CD program funding. The majority of the financial assistance provided through this program went to the most devitalized regions and communities (7/21 areas), proof that the resources were used where the need was greatest.

From a non-financial standpoint, the majority of clients and stakeholders were pleased to note that support from the business offices met their needs in terms of coaching and assistance for their projects and the development of their communities.

3.1.3 Are there other needs that could be met through the *Community Diversification* program?

Faced with a changing environment, NPOs need to continually adjust their business models.

❖ Are the components of the *Community Diversification* program relevant in terms of fostering community diversification?

According to the theory behind the CD program, all of the program components are relevant in terms of fostering diversification. In general, the case studies show that the *Community Mobilization* and *Community Development* components foster community diversification (through support for projects involving local planning, entrepreneurship and assistance for local and regional SMEs). As concerns the *Attractive Communities* component, in view of the high number of business offices that have identified tourism as a priority niche (11 of the 14 business offices, including the seven resource regions), and considering the amount of funding allocated to tourism and the decline reported in the number of foreign tourists since 2002, the Agency would perhaps do well to explore other diversification levers.

3.1.1. Is there still a need for the Community Diversification program?

The purpose of the CD program is to enhance the conditions that are conducive to the vitality of Quebec in order to give communities a better socio-economic outlook and help them maintain and develop their economic activity base. The economic situation in Quebec has deteriorated since the program was first implemented. As a result, the program is still relevant, both in the province as a whole and especially in the devitalized regions and communities. The following needs analysis was conducted on two levels: (1) for Quebec as a whole; and (2) by CD program component.

Overall picture

In general the economic conditions that were present when the program was created in 2007 still exist; in fact, some of them have even worsened because of the economic slowdown. The following are some general observations.¹³

- The labour market is still volatile. After falling to a historical low of 6.8% in January 2008, the unemployment rate rebounded, reaching 8.4% in December 2009. In 2010, Quebec's average annual unemployment rate stood at 7.9%. Most of the job losses during the recession were in the manufacturing sector (-20,000). The employment rate in Quebec fell from 61.0% in 2007 to 59.7% in 2009, the same rate as in 2002.
- Although disposable income in Quebec rose between 2006 and 2009 to \$33,603, it was still lower than the Canadian average (\$36,429 in 2009).
- Gross domestic product (GDP) rose again in 2010, after having slowed down considerably in 2008 and having posted negative results in 2009, when GDP dropped by \$1.16 billion.
- Access to funding, a decisive factor for enterprise creation and expansion, is more difficult because of the tightening of credit conditions.¹⁴ According to a survey by the Business Development Bank of Canada (BDC),¹⁵ access to funding was one of the main barriers identified by SME managers in terms of investment and the SMEs' capacity to innovate.

For Component 1: Community Mobilization

The Agency's 2006–2011 Policy Directions (PD) link the need for *Community Mobilization* to the notion of social capital. To this end, the aim of CED's activities is to "reinforce the productive links, connections and relations among a community's members and institutions so they are in a better position to contribute to regional economic development."¹⁶ According to the PD, "the Agency supports mobilization [...] in communities posting a high devitalization index [...]."¹⁷

The Agency adopted two measures for identifying devitalized regions and communities. The first of these involved identifying devitalized regions based on three criteria: demographic decline, dependence on the primary sector and the devitalization of the region's MRCs. The second measure involved identifying devitalized MRCs in the other regions of Quebec. In 2006, the Agency developed a devitalization index made up of seven macro-economic indicators¹⁸ that allowed it to classify the MRCs according to their relative vitality. Using this index, 21 MRCs were identified as "devitalized." The seven regions and 21 MRCs considered to be devitalized are known as the "7/21 areas."

An update of these two measures, using more recent data, revealed that there had been little change with respect to the 7/21 areas, and that these regions and communities were still experiencing slower

growth. In the seven resource regions, the demographic decline observed between 2006 and 2010 was still more pronounced than in the other regions, although the overall decline was slower than it had been between 2001 and 2006. As regards the primary sector employment rate, two of the seven targeted regions posted rates close to the provincial average. With respect to the MRC devitalization criteria, although a handful of the resource regions had very few devitalized MRCs, the majority of the 21 MRCs identified in 2006 were still devitalized. Of the MRCs that were not considered devitalized in 2006, four had become highly devitalized.

For Component 2: *Community Development*

The *Community Development* component is based on the theory that “a community’s vitality largely depends on its propensity to prompt the emergence of entrepreneurs and quality initiatives (projects or enterprises) in its midst.”¹⁹ The Agency’s objective, therefore, is to contribute to community vitality by encouraging entrepreneurship and creating and developing viable enterprises with local and regional reach.

As concerns the *Entrepreneurship* subcomponent, recent studies have shown that there is still a need to promote the entrepreneurial mindset in Quebec. According to a study conducted in 2010 by the *Fondation de l’entrepreneurship*, the rate of entrepreneurial intention (the number of people who intend to start a business) in Quebec was 7.8%, roughly half the rate observed in the rest of Canada (14.1%).²⁰

In terms of the *Local and regional enterprises* component, recent studies point to problems associated with SME creation and growth. According to the *Fondation de l’entrepreneurship*, [Translation] “the number of new enterprises in Quebec as a proportion of the total number of enterprises fell from 14.6% in 1991 to 11.2% in 2006.”²¹ In addition, the survival rate for SMEs with five employees or more was lower in Quebec than in the rest of Canada.²²

One explanation for the low rate of new entrepreneurs is related to the economic situation and access to funding. A BDC survey among SME business leaders, conducted in June 2010, reveals that the main barriers to the implementation of entrepreneurial projects are insufficient working capital (54% in Quebec vs. 56% in Canada as a whole) and access to funding (47% in Quebec vs. 29% in Canada as a whole).

Furthermore, the closure rate among Quebec entrepreneurs is on the rise. According to the MDEIE, [Translation], “by 2010, almost 25,000 entrepreneurs are expected to close or cease operating their businesses [. . .] 30% of business owners could close their doors; this is almost double the entry rate for new entrepreneurs (16.5 %).”²³ As a result, the level of entrepreneurship could be even lower in the coming years.

For Component 3: *Attractive Communities*

The objective of the *Attractive Communities* component is to “increase communities’ attraction capability through tourism outreach and the presence of collective assets and facilities that raise the profile of the milieu so as to attract and retain tourists and skilled individuals, thus leading to increased

dynamism and prosperity.”²⁴ In fact, “this desire to make a local milieu more stimulating and attractive involves increasing tourism outreach and attractive assets. In highly dynamic communities and/or communities that are open to the world, the Agency intends to build on this third strategic objective in vitality.”²⁵

Through the *Tourism* subcomponent, CED aims to increase the number of tourists from outside Quebec, along with the economic spinoff of tourism. As noted in its PD, CED intends to focus on tourism in dynamic communities. For 11 of the 14 CED business offices, which cover all 7 of the devitalized regions, the tourism sector was a priority niche.²⁶

Tourism is a key sector in the Quebec economy. In 2009, it accounted for 2.7% of Quebec’s \$7.54 billion GDP²⁷ and generated close to 134,600 direct jobs,²⁸ approximately 3.5% of total employment in Quebec.²⁹ However, the number of international visitors to Quebec has been on the decline since 2002.³⁰ Even though foreign visitors spent \$2.34 billion in Quebec in 2009,³¹ recent data show that Quebec tourists make up over three quarters of all tourists in the province and account for over half of total spending in the province.³²

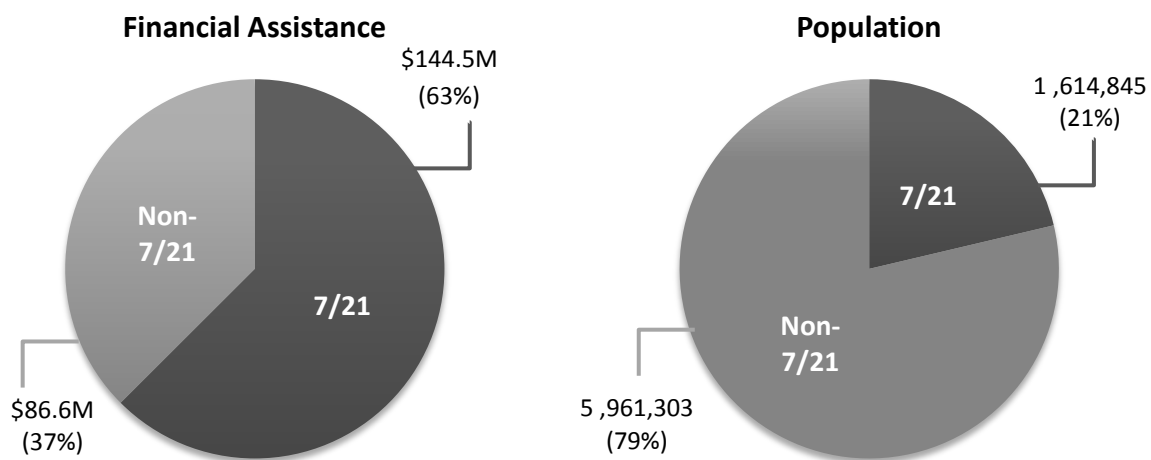
The objective of the *Attractive assets* subcomponent is to foster an “increase in the community’s reputation as a place for new arrivals to settle; and the presence and creation of assets and conditions (e.g., adequate space and facilities, public/strategic facilities essential for development, major events) likely to attract skilled individuals.”³³ Since each project was selected on the basis of local needs, it was impossible to define the overall need for intervention through this subcomponent.

3.1.2. Did the program activities meet the needs?

3.1.2.1. Matching financial assistance with needs

Through the CD program, the Agency committed a total of \$32 per capita in Quebec between April 2007 and March 2010. The 7/21 areas received a larger proportion of this financial assistance (\$89 per capita) than the other regions of the province (\$15 per capita). It can therefore be concluded that CED used this program to target activities in devitalized communities, in accordance with the purpose of the CD program (see Figure 1). The following section presents the activities carried out under the three program components.

Figure 1 Breakdown of financial assistance and population by 7/21 and non-7/21 areas: 2007–2010³⁴



Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

Component 1: Community Mobilization

The analysis of activities reveals that CED provided a total of \$5.8 million in financial assistance through this component of the CD program between 2007 and 2010 (2.5% of total CD program funding). The vast majority of the assistance (92%) was granted to projects in devitalized communities (the 7/21 areas). CED also uses other initiatives and programs, such as the CFP, to support *Community Mobilization*. All of the 7/21 areas, with a few exceptions, are served by organizations that receive funding under the CFP. Table 6 provides a breakdown of the number of projects and the financial assistance granted under the *Community Mobilization* component.

Table 6 Breakdown of projects and financial assistance by 7/21 and non-7/21 areas under the *Community Mobilization* component*

Subcomponent	Number of Projects	%	Financial Assistance	%
7/21 Projects				
Local planning	52	88.1	\$4,827,244	87.8
Integration of target groups	2	3.4	\$202,803	3.7
Subtotal	54	91.5	\$5,030,047	91.5
Non-7/21 Projects				
Local planning	5	8.5	\$466,230	8.5
Integration of target groups	0	0	0	0
Subtotal	5	8.5	\$466,230	8.5

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

*Total of 59 projects (does not include 3 projects that could not be associated with a region).

Component 2: *Community Development*

Between 2007 and 2010, CED supported a total of 261 projects under this component, providing \$50.1 million in financial assistance (21% of total funding under the CD program). SMEs were the preferred recipients for the achievement of the outcomes of this component, receiving 83% of funding, compared with 17% for NPOs. Close to 93% of the projects and 90% of the investments took place in the 7/21 areas (see Table 7). As in the case of the *Community Mobilization* component, CED also used the CFP to support local and regional enterprises through local organizations.

Table 7 Breakdown of projects and financial assistance by 7/21 and non-7/21 areas under the *Community Development* component*

Subcomponent	Number of Projects	%	Financial Assistance	%
7/21 Projects				
Entrepreneurship	3	1.2	\$798,578	1.6
Local and regional enterprises	238	91.5	\$44,104,148	89.2
Subtotal	241	92.7	\$44,902,726	90.8
Non-7/21 Projects				
Entrepreneurship	2	0.8	\$144,000	0.3
Local and regional enterprises	17	6.5	\$4,390,979	8.9
Subtotal	19	7.3	\$4,534,979	9.2

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

* Total of 260 projects (does not include 1 project that could not be associated with a region).

The Agency supported five projects under the *Entrepreneurship* subcomponent, for a total investment of \$972,000, the vast majority of which was granted to projects in the 7/21 areas. CED also uses other initiatives and programs to support entrepreneurship (CFP) and enterprise creation (CFP and BRG).

Component 3: Attractive Communities

Between April 2007 and March 2010, a total of 287 projects and \$182 million in financial assistance was authorized under the *Attractive Communities* component, accounting for just over 76% of total CD program funding. More than 53% of the investments were made in the 7/21 areas (see Table 8). Not counting the \$25 million earmarked for the Montreal Grand Prix, a total of \$43 million in financial assistance was granted to non-7/21 areas under the *Attractive Communities* subcomponent. The amount of funding earmarked for the 7/21 areas under this component is not in line with CED's initial intention to boost investment in the non-7/21 areas.³⁵

Table 8 Breakdown of projects and financial assistance by 7/21 and non-7/21 areas under the *Attractive Communities* component*

Subcomponent	Number of Projects	%	Financial Assistance	%
7/21 Projects				
Tourism	183	67.8	\$64,870,456	36.8
Attractive assets	21	7.8	\$29,685,490	16.9
Subtotal	204	75.6	\$94,555,946	53.7
Non-7/21 Projects				
Tourism**	64	23.7	\$68,095,269	38.7
Attractive assets	2	0.7	\$13,537,500	7.7
Subtotal	66	24.4	\$81,632,769	46.3

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

* Total of 270 projects (does not include 17 projects that could not be associated with a region).

** Includes \$25 million for the Montreal Grand Prix.

Clarification regarding the *Tourism* subcomponent

Almost 60% of financial assistance under the CD program was granted to tourism projects. Even though the resource regions received 39% (\$51.7 million) of CD program funding for tourism, these regions accounted for only 14.5% of overall tourism spending in Quebec.³⁶ In addition, tourists from Quebec generated approximately 80% of tourism spending in six of these seven regions.³⁷

As concerns the marketing of Quebec's tourism offering outside the province, the *Tourisme Outaouais* case study shows that the Agency support received by this regional tourism association encourages regional tourism organizations and businesses to put more money into this type of marketing. The representatives interviewed noted that, without this assistance, marketing funding would probably have been used exclusively to target markets located on the borders of Quebec.

Clarification regarding the *Attractive assets* subcomponent

Approximately 18% of CD program funding was allocated to *Attractive assets* projects targeting cultural, sports, transportation and telecommunication infrastructure. Roughly \$3.7 million of the funding went toward feasibility study projects (see Table 9). Because of the wide array of projects, it was impossible to conduct a needs analysis for these projects as a whole.

Of the 24 projects, 21 were carried out in the 7/21 areas, which received \$29.7 million in financial assistance out of a total of \$43.4 million (68%). The *Centre de transit minier* case study illustrates the problems encountered in completing a major financing package for a collective facilities project in the 7/21 areas.

Table 9 Agency contributions and project costs for the *Attractive assets* subcomponent³⁸

Project	Financial Assistance	Project Cost
PEPS/Planetarium	\$13,537,500	\$37,050,000
Internet	\$10,956,692	\$35,021,392
Railways	\$9,988,070	\$17,471,550
Airports	\$5,253,458	\$22,198,764
Studies	\$3,680,270	\$9,697,135
Total	\$43,415,990	\$121,438,841

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

Incentive nature of the financial assistance

For the majority of the projects supported, CD program funding was necessary for the project to be able to go ahead. The program supports projects that would not otherwise have been able to get off the ground, or that would have been carried out on a different scale or with a longer time frame. Almost 86% of the annual survey respondents said that they would not have been able to carry out their project without CD program funding (see Table 10).

Table 10 Incentive nature of the financial assistance provided through Agency programs

Projects approved under the	Number of Respondents	Yes (%)	No (%)	NSP (%)
CD program	223	12.1	85.7	2.2
BRG program	231	22.5	76.6	0.9
Other programs	160	11.9	86.9	1.3
Total	614	16.0	82.6	1.5

Source: 2008–2009 Annual Survey – Answers to the question: “Without Canada Economic Development’s help, would it have been possible for you to carry out your activities or start your project?”

Furthermore, the percentage of proponents that would have been unable to carry out their project, or that would have had to modify the scale of the project or carry out the project over a longer time frame, rose from 86.3% in 2006–2007 to 93.1% in 2008–2009 for NPOs, and from 64.8% in 2006–2007 to 76.2% in 2008–2009 in the case of SMEs. Stricter lending conditions in recent years could be to blame for this increase.

Information obtained through the focus groups and case studies corroborates the annual survey data. The participating proponents indicated that they would have been unable to carry out their projects without CED assistance, at least not within the same time frame and on the same scale. The four NPO case studies also attest to the major problems proponents would have completing their financing packages without CED financial support. ***Matching non-financial assistance with needs***

As shown in the annual survey conducted among proponents, CED non-financial assistance for SMEs was divided up into three categories: referral services, general information and technical assistance (see Table 11). Data from this Survey reveal major differences between the programs, especially as concerns technical assistance, which was more frequently used by proponents receiving funding under the CD program.

Table 11 Breakdown of answers according to the type of non-financial service received,* by program

Program	Referral Services	General Information	Technical Assistance	None	Total
CD (96 respondents, 118 answers)	13.6%	16.9%	33.9%	35.6%	100%
BRG (146 respondents, 168 answers)	19.6%	21.4%	19.0%	39.9%	100%

Source: 2008–2009 Annual Survey – Answers to the question: “What types of services have you received?”

* More than one answer possible.

When asked how the services obtained helped them, the respondents stated that the services helped them submit CED funding applications, develop their skills, carry out their projects or achieve the outcomes in the performance agreement (see Table 12).

Table 12 Breakdown of respondents by contribution of non-financial services, by program

Did the services obtained help you *	CD (n=57)		BRG (n=79)	
	n	%	n	%
1. Submit an application for CED financial assistance?	43	75.4%	53	67.1%
2. Submit a funding application to another organization?	21	36.8%	19	24.1%
3. Have a better understanding of federal programs and services?	37	64.9%	52	65.8%
4. Reinforce your skills/abilities for carrying out your project?	41	71.9%	50	63.3%
5. Guide your business strategy or obtain other strategic advice?	36	63.2%	39	49.4%
6. Achieve the expected outcomes in the contribution agreement (Appendix E)?	45	78.9%	48	60.8%

Source: 2009–2010 Annual Survey

* More than one answer possible. SME respondents only.

Furthermore, a majority of the focus group participants stated that CED advisors had met their needs by providing coaching and support. The proponents interviewed in the case studies noted that the advisors’ assistance was helpful during the CED funding application process. As concerns support for the development of their projects and organizations, however, the proponents and the CED advisors interviewed noted that the role of the business offices was more limited.

Besides non-financial assistance provided as part of funding projects, advisors also conduct development activities for various stakeholders in their region. Box 1 illustrates the nature of these development activities, using examples from the three case studies of devitalized MRCs. Even though these activities cannot be associated with a specific program, it is nevertheless important to note that business office staff devoted 44,250 hours of their time to these activities (approximately 7% of their total work time). However, despite the major challenges in the devitalized regions in terms of development and diversification, the proportion of time spent on development activities in these regions (5 %) ³⁹ was lower than in the other regions of Quebec (8 %).

Box 1 Development activities taken from the three MRC case studies**3.1.3. Are there other needs that could be met through the CD program?**

Case study: Côte-de-Gaspé MRC
<i>A significant portion of the team's work involves taking part in issue tables and other initiatives focusing on recovery and diversification. For example, Business Office representatives meet with the Murdochville diversification committee at least three times a year. In the lead-up to the analysis of files, the CED Business Office also plays a very proactive role in terms of project development, and devotes a considerable amount of time to convincing various partners to participate in projects that are still in the preliminary phase. The development of the cruise hub is an example of this approach: the team worked hard to develop an approach that will subsequently lead to a project.</i>
Case study: Maria-Chapdelaine MRC
<i>The Business Office adopts a proactive approach with a view to fostering the introduction of several well-targeted initiatives in the region. It has done visits and held conferences to present the programs, and takes part, on occasion, in multi-sector tables. In June 2009, the Business Office organized a special multi-sector meeting in preparation for the updating of its 2010–2013 Business Plan.</i>
Case study: Shawinigan
<i>Over the course of the past two years, the Mauricie Business Office has carried out a number of support and development activities. It regularly participates in various types of meetings aimed at improving consultation and co-operation among community stakeholders. To this end, the Mauricie Business Office has observer status on the Shawinigan economic diversification and development committee and, in this capacity, takes part in various activities. It has also provided human resource support for the development of the committee's communication protocol. The advisor assigned to the Shawinigan sub-region has attended 22 committee meetings between 2008 and 2010.</i>

The feedback provided by the leaders of businesses and NPOs who took part in the four focus groups included various comments relating to changing needs or the emergence of new needs (see Table 13). Some of these issues do not fall within the Agency's areas of activity. It is also interesting to note that the needs identified by SME representatives are more in line with the BRG program than with the CD program.

Table 13 **Key needs identified by the focus group participants**

Community Development
<ul style="list-style-type: none"> • Invest in technical innovation. • Place greater emphasis on marketing (e.g., provide coaching and specialized training) and market exploration (Canadian and foreign markets).
Attractive Communities
<ul style="list-style-type: none"> • Develop foreign clients (tourism NPOs). • Ensure access to workers and training. • Provide more references to other funders and potential clients. • Monitor best practices and market opportunities.

Source: Focus groups

A few observations can also be drawn from the analysis of the case studies. It is apparent that the needs of these organizations vary enormously depending on the nature of their project and the speed at which changes are taking place in their environment. Changes to the client-base in Quebec, and the new market segmentation, seem to pose a significant challenge in terms of the marketing of products and services. For the moment, the NPOs studied are adequately meeting their clients' needs; however, the increase in demand is creating new needs. In the case of the *Centre d'entrepreneurship HEC-POLY-UdeM*, there is a need for funding or specialized professional support to help young entrepreneurs as they grow. For the CITAN and *Tourisme Outaouais*, it is technological breakthroughs that create major challenges in terms of meeting the needs of their clientele. Finally, for the *Centre de transit minier*, high demand for its services means that the organization needs to increase the capacity of its facilities.

3.2. Alignment with government priorities

Summary

To what extent were the objectives and expected outcomes of the *Community Diversification* program in line with government priorities when the program was designed? Are they in line with the government's current priorities?

In general, the three components of the CD program are in line with government priorities published in Government of Canada documents since the announcement of the program in 2007. The documents consulted place greater emphasis on *Community Development* than on *Community Mobilization* and *Attractive Communities*.

Component 1: *Community Mobilization*

A number of federal government documents focus on assistance for devitalized communities, in accordance with the *Community Mobilization* component, aimed at increasing mobilization within the communities and enhancing the communities' capacity to take charge of their own development (see Table 14). Even though it only refers to this priority on a sporadic basis, the 2008 Budget Speech stresses the importance of providing assistance for communities that are experiencing a significant decline in economic activity. In addition, the 2010 Speech from the Throne announced that the government would "take steps to support communities in their efforts to tackle local challenges,"⁴⁰ thus acknowledging that devitalized communities need help implementing their local initiatives.

Component 2: *Community Development*

The objective of this component is to support communities through the development of entrepreneurship and the creation, development and maintenance of viable enterprises with local and regional reach. Since 2006, support for SMEs has been an ongoing priority for the Government of Canada (see Table 14). According to the document entitled *Advantage Canada*, the government is paying particular attention to job creation and the startup of enterprises.⁴¹

Since 2007, every Speech from the Throne has included support for struggling Canadian industries, given the importance of these industries to the economies of the regions.⁴² The 2007 Budget Speech refers to SMEs and entrepreneurs as "the motors of our [...] economy," and confirms the government's role in "helping Canadian entrepreneurs access the money they need to grow."⁴³ More recently, the 2009 and 2010 Budget Speeches focus on support for small businesses, the promotion and enhancement of entrepreneurial initiatives, and help for the most vulnerable industries.⁴⁴ Under the 2010 Budget Plan, SMEs will benefit from increased government assistance that will "help to maintain and create jobs across the country."⁴⁵

Component 3: *Attractive Communities*

To facilitate the analysis of its alignment with government priorities, the *Attractive Communities* component was broken down by subcomponent (*Tourism* and *Attractive assets*). As a whole, documents outlining government priorities confirm the importance of these two subcomponents (see Table 14);

however, the *Tourism* subcomponent is better aligned with these priorities than is the *Attractive assets* subcomponent.

In the 2007 and 2009 Throne Speeches, tourism is identified as one of the sectors facing challenges and requiring government assistance.⁴⁶ The 2009 Budget Speech confirms the importance of the tourism industry in Canada, noting that, “while the Canadian tourism industry remains strong, it is facing key challenges due to the international economic downturn and competition from other destinations.”⁴⁷ The government set aside \$1.3 billion to help sectors in difficulty, including the tourism sector.⁴⁸

Furthermore, in its 2010 Budget Plan, the Government of Canada states that “the role of government is to provide the infrastructure [. . .] for a prosperous economy and society [. . .] for the long term.”⁴⁹ Hence, the *Attractive assets* subcomponent is also a government priority.

Table 14 Government Priorities – links with CD program components

	Advantage Canada	Speech from the Throne	Budget Speech	Budget Plan
Community Mobilization		Yes (2010)	Yes (2008)	Yes (2010)
Community Development	Yes (2006)	Yes (2007, 2008, 2009, 2010)	Yes (2007, 2009, 2010)	Yes (2010)
Attractive Communities		Yes (2007, 2009)	Yes (2009)	Yes (2010)

3.3. Alignment with federal roles and responsibilities

Summary

Is the support provided under the *Community Diversification* program in line with the federal government's roles and responsibilities?

CED's role in the development of the economies of the regions of Quebec is clearly defined and is in line with the roles and responsibilities of the federal government: the purpose of the Act establishing the Agency is to promote the development and diversification of the economy of the regions of Quebec.

There are other players who are also involved in the economic development of the regions; however, their activities complement those of CED, since there is sufficient need and the CD program is amply flexible. Moreover, CED is often the only federal player providing funding for CD program projects, and there are usually very few private funding sources, particularly for *Community Mobilization* and *Attractive Communities* projects. As a result, the majority of the clients would have been unable to obtain funding from other sources besides CED.

3.3.1. CED's role in community diversification

The literature review confirms the Agency's role in supporting community development. As set forth in the *Economic Development Agency of Canada for the Regions of Quebec Act*, the Agency's mission is to "emphasize long-term economic development and sustainable employment and income creation" and "offer services intended to contribute [. . .] to the development of communities in Quebec."⁵⁰

In Quebec, there are many players involved in community development projects. The participation of numerous funding partners for each program component could indicate a potential for overlapping. However, according to a benchmarking study from 2009 that focused on regional development organizations and programs at the provincial, national and international levels, of all the departments and agencies that work with SMEs and NPOs in Quebec, "only CED and tax-advantaged funds have the promotion of regional development as their sole mission."⁵¹ Because of the mandate entrusted to the organization through its enabling legislation, CED has added value and plays a unique role among the government organizations that support the economic development of the regions of Quebec. Furthermore, the Agency's mission states that "the Agency shall take such measures as will promote cooperation and complementarity with Quebec and communities in Quebec."⁵²

Another factor that limits overlapping is the flexibility of the CD program. The benchmarking study notes that, in Quebec, "needs are sufficiently strong, or else programs are flexible enough that the programs overlap in theory only."⁵³ CED has two main programs (one of which is the CD program) covering a number of different categories of projects, which means greater flexibility in terms of the application of the programs. By contrast, provincial departments have many programs that often have very specific objectives and target a very limited clientele or region.

This finding is supported by the CD program project proponents who took part in the focus groups. They liked the fact that the eligibility criteria for the CD program were not as strict as those of other funding agencies, and that CD program projects could be tailored to the regional situation. Its contribution agreement conditions also set the Agency apart: CED awards more substantial sums of money than

other funders, without a guarantee from a financial institution and with more flexible repayment conditions (no interest and a two-year repayment moratorium).

Focus group participants who had other funding partners besides CED noted that the Agency was the only lender to fund certain project activities (such as marketing or equipment purchases). For SME proponents who were unable to obtain funding from financial institutions, CED was their sole source of assistance. Finally, as concerns co-operation among the various lenders, a few proponents that carried out projects with several financial partners noted the general spirit of co-operation among CED and the other lenders, and agreed that CED's participation influenced other partners to fund their projects.

In addition to the focus groups, the case studies also show how CED's role is perceived by the various players (see Box 2). Generally, the Agency's financial assistance is deemed essential to project financing packages, either because the other lenders are unable to invest a sufficient amount or because they do not fund certain activities. Without CED's support, the financial participation of some government partners could be called into question.

Box 2 CED's role as shown in the four NPO case studies

Case study: Tourisme Outaouais
<i>Agency funding is considered essential for marketing outside Quebec, since the Agency is the only public organization that provides exclusive funding for this type of activity, and because businesses in the tourism sector cannot absorb the costs of this marketing on their own. It is generally recognized that the accommodation tax by itself is insufficient to cover the cost of marketing campaigns, since it is linked to the number of rooms occupied. According to the persons consulted, without Agency funding, this regional tourism association (ATR) would have had to make certain choices and would probably have focused exclusively on the markets along the Quebec borders.</i>
Case study: Centre d'entrepreneurship HEC-POLY-UdeM
<i>In the case of the current agreement, the public funding is complementary. The Agency is the only public organization that funds coaching. The City of Montreal provides funding to support young immigrant engineers who want to start a business, and the MDEIE funds awareness activities. The Agency had advised the MDEIE that it would only fund the coaching component of the Centre's service offer, and not the awareness activities.</i>
Case study: Centre de transit minier
<i>The Agency provided a non-repayable contribution of \$3,000,000. The Agency was therefore a key partner in the project. Everyone consulted agreed that, without the Agency's assistance, the project would not have been able to go ahead. The Agency's contribution was all the more important given that the MDEIE only contributed \$500,000. None of the MDEIE's programs allowed it to contribute more than this to the project. The Agency was able to work in partnership with other funding agencies.</i>

3.3.2. Complementarity of CED activities

To provide an overview of co-operation between the Agency and the other funders, the financial contributions of these funders have been grouped together under four categories: federal, provincial, local and private. The presence of each category of funder varies from one component to the next (see Table 15). The observations related to this grouping are presented below.

Among the projects funded by CED, we noted little involvement by other federal funders. The most common financial partners for CD program projects were BDC (involved in 26, or 4.3%, of the projects) and the Department of Canadian Heritage (PCH) [involved in 23, or 3.6%, of the projects]. Costs

authorized by these two funders—\$14.2 million and \$12.5 million, respectively—were also the highest among all federal funding organizations.

In terms of provincial funding for projects funded under the CD program, the MDEIE supported close to one quarter of the projects (141 of the 610 projects). Investissement Québec (IQ) provided the largest financial contribution (\$48.1 million). Other provincial funding bodies included the *Ministère du Tourisme*, the *Ministère des affaires municipales et de l'occupation du territoire* (MAMROT) and the *Ministère de la Culture, des Communications et de la Condition féminine* (MCCCF).

Table 15 Main funding bodies by CD program component, 2007–2010

Community Mobilization			Community Development			Attractive Communities		
CED: 62 projects / \$5.8 million (Total costs= \$13.4 million)			CED : 261 projects / \$50.1 million (Total costs= \$298.1 million)			CED : 287 projects / \$182.3 million (Total costs= \$924.34 million)		
Funding Body	Number of Projects	Million \$	Funding Body	Number of Projects	Million \$	Funding Body	Number of Projects	Million \$
Municipalities	17	1.157	Equity			Other	94	182.048
MDEIE	19	1.129	IQ	211	58.521	Equity	187	180.058
Other ⁵⁴	22	974	Banks	43	44.965	ATR	71	113.923
Equity	34	838	Desjardins	67	33.931	MTOURQ	50	40.745
MAMROT	12	551	MDEIE	63	23.670	Municipalities	63	37.983
MRC	14	401	Other	88	12.448	MCCCF	17	20.673
CRÉ	9	202	Other	42	11.151	Other prov.		
CFDC	17	190	Lenders			partners	28	20.089
ATR	1	185	BDC	26	11.144	MAMROT	28	16.037
EMPLOI-Qc	6	183	REVENUE-Qc	21	9.929	MDEIE	34	15.721
				20	6.723			

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

In terms of community development, the key local players (municipalities, MRCs, CLDs and CRÉs) have witnessed an expansion of their roles, responsibilities and resources in recent years. Of these players, CLDs supported the largest number of projects funded under the CD program (133 of the 610 projects), whereas ATRs provided the most funding (\$114 million).⁵⁵ Teaching institutions and CFDCs also provide funding for CD program projects.

The overview of funding agencies for CD program projects reveals the low level of private-sector participation. Besides investment by the proponents, the banks were the largest private-sector contributors (\$48.3 million), with Desjardins supporting the largest number of projects (153 of the 610 projects). Private-sector funding primarily targeted SME projects under the *Community Development* component.

3.3.3. Incentive nature of the assistance

According to the CED funding recipients who completed the annual survey, CED financial assistance encouraged other funding bodies to support their projects. The majority of the recipients noted that, without CED's assistance, they would have been unable to obtain funding from other lenders. In the case of the *Community Mobilization* (No = 77.8%) and *Community Development* (No = 69%) programs,

this assistance was significant; in the case of the *Attractive Communities* component, it was relatively significant (No = 50.7%).

In the focus groups, the majority of the proponents who had carried out projects with several financial partners noted that, not only was CED the first provider of financial assistance, but also that the Agency, through the scale of its contributions and quasi-equity financing, had a leverage effect on other partners in terms of encouraging them to provide project funding.

4. Findings regarding CD program performance

4.1. Introduction

The *Policy on Evaluation* (2009) requires that program performance be demonstrated. Performance is measured through the achievement of expected outcomes and the demonstration of efficiency and economy.⁵⁶

Core issues relating to performance, as set forth in the *Directive on the Evaluation Function*

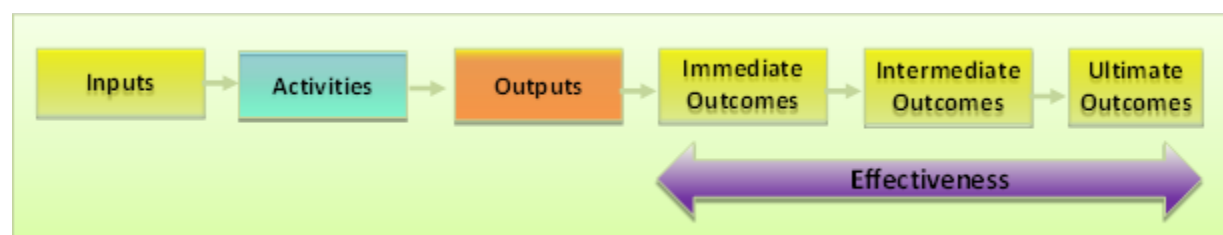
Achievement of expected outcomes
○ <i>Assessment of progress toward expected outcomes with reference to performance targets and program reach, program design, including the linkage and contribution of outputs to outcome.</i>
Demonstration of efficiency and economy
○ <i>Assessment of resource utilization in relation to the production of outputs and progress toward expected outcomes.</i>

Source: *Directive on the Evaluation Function*

The evaluation of effectiveness was based on the performance measurement framework adopted and implemented by CED, which allowed for information regarding project outcomes to be captured in the Hermès management system. The evaluation of efficiency and economy, on the other hand, is a new requirement under the *Policy on Evaluation*. Since these issues had been given little attention in the past, the evaluation approach focused on the establishment of an overview of human resource use based on data available in the AIS (see Section 4.3).

4.2. Effectiveness (achievement of expected outcomes)

The achievement of each immediate and intermediate outcome is measured using various indicators. When a contribution agreement is being drafted, the indicators that are most relevant in terms of the nature of the expected outcomes are selected, and target outcomes are established for each indicator. The Business Office and the proponent agree on the expected outcomes for each financial assistance project. The analysis in this section of the report is based on performance monitoring data for approved CD program projects.



Immediate outcome indicators are usually monitored when the recipient requests a payment from the Agency. In the case of intermediate outcomes, indicators are generally monitored on an annual basis. Hence, if CED has not made a payment for a project, no monitoring will have taken place. This factor explains the variances between the number of projects approved during the reference period and the number of projects for which performance measurement data are available.

In order to ensure an overall analysis of the outcomes of the projects supported by the program, the evaluation team only analyzed those indicators that were used in a significant number of projects. In addition, some projects used the indicators selected for this analysis, but did not have any performance data or data on the target values in question. If either of these types of data was missing, the project was not included in the analysis base. These different situations explain the variances between the performance monitoring database for projects involving payments, and the projects covered by the outcome analysis.

4.2.1. Immediate outcomes

Summary

What are the key immediate outcomes achieved by the Community Diversification program?

The analysis of performance monitoring data shows that projects supported by CED generally achieved the targeted outcomes. Many projects are still under way; in the case of these projects, the targeted outcomes are expected to be achieved.

Component 1: Community Mobilization

The majority of *Local planning* projects achieved their targets. Assistance provided for NPOs helped 5 communities mobilize and 31 communities draw up plans, and allowed for the implementation of 44 initiatives or projects. In the case of *Integration of target groups* projects, however, the achievement of targets was lower than expected. To date, 14 of the 134 target group organizations have been involved in integration projects; this gap can be explained by a project that is currently under way.

Component 2: Community Development

In the case of the *Entrepreneurship* subcomponent, assistance to NPOs resulted in the startup of 46 enterprises, which is higher than the targeted objective of 44. The vast majority of the projects carried out by SMEs under the *Local and regional enterprises* subcomponent achieved their objectives. In the case of projects carried out by NPOs, despite the fact that some of them were still in progress, the target for the number of enterprises developed had been exceeded (66 SMEs developed).

Component 3: Attractive Communities

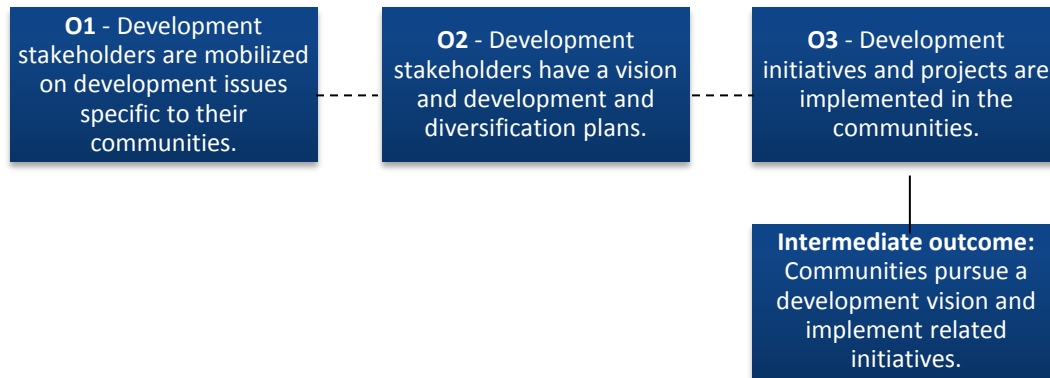
The majority of the projects under the *Tourism* subcomponent achieved their objectives. The assistance granted resulted in the development of 25 plans and 17 joint tourism offerings, as well as the implementation of 3 growth-generating tourism projects. In the case of projects under the *Attractive assets* subcomponent, outcomes had been achieved or were in the process of being achieved.

4.2.1.1. Component 1: Community Mobilization

This CD program component fosters the development of social capital through the establishment of visions and development and diversification plans and the implementation of development initiatives. It is made up of two subcomponents: *Local planning* and the *Integration of target groups*.

Subcomponent: *Local planning*

The aim of this subcomponent is to strengthen links and productive relationships in communities so that their members and organizations can contribute to regional economic development. To ensure the performance of *Local planning* projects, the Agency established three immediate outcomes and one intermediate outcome:



During the reference period, 58 projects were granted funding under this subcomponent. All the projects received non-repayable financial assistance. Performance measurement data are available for 49 of these projects, which received a total of \$4.0 million in funding (44% of the total cost of projects under this subcomponent). Average CED financial assistance for *Local planning* projects was approximately \$80,000 per project.

Immediate outcomes achieved

The majority of *Local planning* projects achieved their targets (see Table 16). CED financial support for the mobilization of development stakeholders allowed 5 devitalized communities to carry out projects aimed at bringing together regional players to come up with an overall development vision. On average, each project attracted 403 participants to the mobilization activities. In addition, CED contributed to the drafting of 31 development and diversification plans, 23 of which were in devitalized regions. In all, 44 development projects and initiatives were carried out.

Table 16 *Local planning* subcomponent immediate outcome achievement rate

Indicator	Achievement Rate ⁵⁷	Number of Projects that Achieved their Target
Outcome 1: Development stakeholders are mobilized around development issues specific to their communities.		
Number of mobilized communities	5/5 comm. = 100%	3/3 projects = 100% (0 projects currently being monitored)
Outcome 2: Development stakeholders have a vision and development and diversification plans.		
Number of communities that have developed plans	31/34 comm. = 91%	22/26 projects = 85% (7 projects currently being monitored)
Outcome 3: Development initiatives and projects are implemented in the communities.		
Number of initiatives and projects carried out	44/54 = 82%	16/20 projects = 80% (9 projects currently being monitored)

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

Subcomponent: *Integration of target groups*

The objective of this subcomponent is to foster the development of social capital through the integration of groups that are marginalized in terms of development. To guide *Integration of target groups* projects, the Agency established one immediate outcome and one intermediate outcome:



During the reference period, four projects (all involving non-repayable assistance) were approved under this subcomponent.⁵⁸ Authorized Agency assistance totalled \$0.5 million (53% of the total cost of these projects). Average CED assistance under this subcomponent amounted to just over \$125,000 per project.

Immediate outcomes achieved

Data pertaining to the immediate outcome were available for three of the projects supported under this subcomponent. Of these projects, two achieved their targeted outcome. The significant variance of 120 organizations (see Table 17) can be attributed to the fact that the results monitoring period for this

project had not yet ended. The three target groups are: Inuit (target population: 11,000), Anglophones in the Magdalen Islands (target population: 505) and the First Nations of Quebec and Labrador (target population: 71,000).

Table 17 *Integration of target groups subcomponent immediate outcome achievement rate*

Indicator	Achievement Rate	Number of Projects that Achieved the Target
Outcome: Target groups participate in their community's economy.		
Number of target group organizations involved	14/134 organizations = 10%	2/3 projects = 66% (1 project currently being monitored)

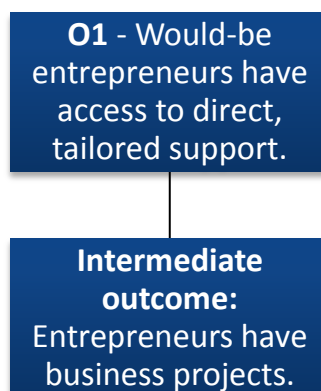
Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

4.2.1.2. Component 2: Community Development

The objective of this component is to support communities in order to enable them to take charge of their own development through entrepreneurship and the creation, development and maintenance of enterprises. This assistance is channelled through NPOs that support entrepreneurship and enterprises, through economic development organizations, or by means of direct support for enterprises with local and regional reach.

Subcomponent: Entrepreneurship

This subcomponent specifically targets NPOs that support entrepreneurship, as well as economic development organizations. The Agency established one immediate outcome and one intermediate outcome:



During the reference period, five projects (all involving non-repayable assistance) were approved under this subcomponent. Performance data are only available for four of these projects, which received a total of \$0.9 million in assistance (28% of the total cost of these projects). Average CED assistance under this subcomponent amounted to \$235,000.

Immediate outcomes achieved

Performance data are available for three NPO projects. Even though two of these projects are still in progress, the three projects have all exceeded their overall target. A total of 46 SMEs were created as part of these projects (see Table 18).

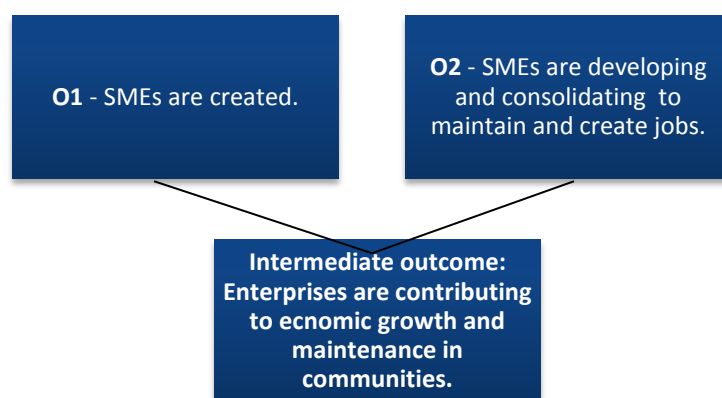
Table 18 *Entrepreneurship* subcomponent immediate outcome achievement rate

Indicator	Achievement Rate	Number of Projects that Achieved the Target
Outcome 1: Would-be entrepreneurs have access to direct, tailored support.		
Number of SMEs created	46/44 SMEs= 105%	2/3 projects= 66% (2 obs. under way)

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

Subcomponent: *Local and regional enterprises*

This subcomponent specifically targets enterprises with local and regional reach, as well as NPOs whose principal mission is to provide support for enterprises. The Agency established two immediate outcomes and one intermediate outcome:



During the reference period, a total of 256 projects were approved under this subcomponent. Performance data are available for 227 projects; of these, 212 involve direct assistance for SMEs, whereas 15 target NPOs that support SMEs. Of the 227 projects, 211 are located in devitalized communities (\$35.7 million in contributions). On average, SME clients received \$149,000 and NPOs \$472,000.

As concerns the projects carried out by SMEs, the vast majority of the SME creation, maintenance or development projects were successful (see Table 19). In the case of projects carried out by NPOs, to date, 18 SMEs have been created, out of a target of 179. It should be remembered that two projects are still in progress. Projects for which the monitoring period has ended exceeded their set targets. For example, in the case of a project targeting the creation of 4 SMEs, 9 SMEs were created; another project resulted in the creation of 4 enterprises, whereas the target was 3. In terms of SME development, 5 out

of 7 projects have already achieved their targets, and another is in the process of doing so. Finally, in the case of maintenance projects, the project for which the monitoring is completed met its set objective.

Table 19 *Local and regional enterprises subcomponent immediate outcome achievement rate*

Indicator	Target Achievement Rate	
	SMEs ⁵⁹	NPOs
Outcome 1: SMEs are created.		
Number of SMEs created	35/39 SMEs = 90% (39 projects)	18/179 SMEs = 10% (4 projects – 2 obs. under way) Number of projects that achieved their target: 2/4
Outcome 2: SMEs are developing and consolidating to maintain and create jobs.		
Number of SMEs maintained	31/34 SMEs = 91% (34 projects)	25/69 SMEs = 36 % (3 projects – 2 obs. Under way) Number of projects that achieved their target: 1/3
Number of SMEs developed	93/104 SMEs = 89% (104 projects)	66/52 SMEs = 127% (7 projects – 3 obs. under way) Number of projects that achieved their target: 5/7

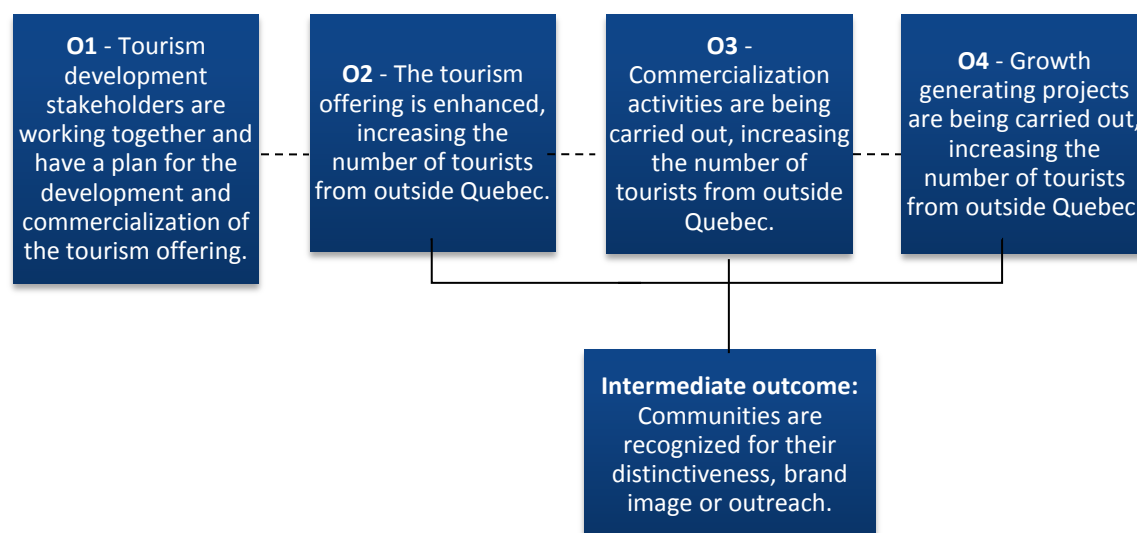
Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

4.2.1.3. Component 3: Attractive Communities

The aim of this component is to increase communities' attraction capacity through tourism outreach and the presence of collective facilities that raise the communities' profile.

Subcomponent: Tourism

Through this subcomponent, the Agency supports sectoral and regional tourism associations, municipal corporations (MRCs, municipalities), NPOs and SMEs. The Agency established four immediate outcomes and one intermediate outcome:



During the reference period, a total of 263 projects were approved under this subcomponent. Average CED assistance per project amounted to \$551, 000. Performance data are available for 227 projects, for which CED contributed \$125 million. Of these projects, 201 received non-repayable contributions (\$116 million), and 26 were granted repayable contributions (\$9 million). In addition, 168 of the 227 projects were carried out in devitalized communities.

Immediate outcomes achieved

As concerns Outcome 1, i.e., plans for the development and commercialization of the tourism offering, the outcomes are on track (see Table 20). In terms of development plans, 5 projects are under way (one of which involves 22 development plans), which explains the low achievement rate. In reality, only one completed project did not meet its target objective. As concerns plans for the commercialization of the tourism offering, the overall target has already been met, even though two projects are still under way.

As for outcomes 2 and 3, which target an increase in the number of tourists through improvements to tourism facilities and services and the commercialization of products and destinations, almost all of the projects achieved the targeted immediate outcome. The targets for growth generating projects (Outcome 4) are in the process of being achieved.

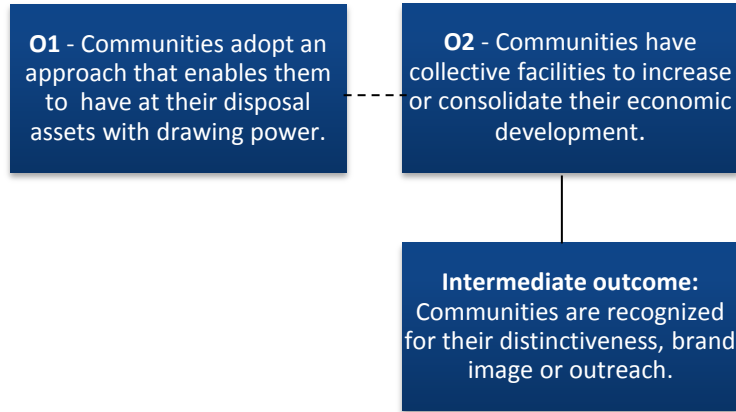
Table 20 **Tourism subcomponent immediate outcome achievement rate**

Indicator	Target Achievement Rate	Number of Projects that Achieved the Target
Outcome 1: Tourism development stakeholders are working together and have a plan for the development and commercialization of the tourism offering.		
Number of plans developed	25/50 plans = 50%	17/21 projects = 81% (5 projects currently being monitored)
Number of joint tourism offers developed	17/16 offers = 106%	1/3 projects = 33% (2 projects currently being monitored)
Outcome 2: The tourism offering is enhanced, resulting in an increase in the number of tourists from outside Quebec.		
Number of new or improved tourism facilities and services	178/178 = 100%	114/118 projects = 97% (13 projects currently being monitored)
Outcome 3: Commercialization activities are being carried out, increasing the number of tourists from outside Quebec.		
Number of products and destinations commercialized	53/53 projects = 100%	
Outcome 4: Growth generating projects are being carried out, increasing the number of tourists from outside Quebec.		
Number of new or improved growth generating tourism projects	3/4 projects = 75%	3/4 projects = 75% (3 projects currently being monitored)

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

Subcomponent: *Attractive assets*

Through this subcomponent, the Agency supports sectoral associations, municipal corporations (MRCs and municipalities) and SMEs. CED has established two immediate outcomes and one intermediate outcome:



During the reference period, a total of 24 projects were approved under this subcomponent. Of these, performance data are available for 22 projects that received a total of \$43 million in assistance from CED (36% of the total cost of these projects), for an average of \$1.9 million per project. With the exception of one project (\$255,000), all of the contributions are non-repayable. In addition, 19 of the 22 projects took place in devitalized communities.

Immediate outcomes achieved

The two immediate outcomes are measured based on the number of plans developed and studies carried out, and on the collective facilities developed or improved. In both cases, all of the projects for which the monitoring was completed had achieved their targets (see Table 21).

Table 21 Attractive assets subcomponent immediate outcome achievement rate

Indicator	Achievement Rate	Number of Projects that Achieved the Target
Outcome 1: Communities adopt an approach that enables them to have at their disposal assets with drawing power.		
Number of plans developed and studies carried out	6/7 = 86%	6/7 projects = 86% (1 project currently being monitored)
Outcome 2: Communities have collective facilities to increase or consolidate their economic development.		
Number of collective facilities developed or improved	7/11 = 64%	7/11 projects = 64% (4 projects currently being monitored)

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

4.2.2. Intermediate outcomes

Summary

To what extent does the *Community Diversification* program contribute to the achievement of expected intermediate outcomes?

Given that the Agency has not established target outcomes for the CD program, it is impossible to determine the extent to which the program has contributed to the achievement of expected intermediate outcomes. Nevertheless, the following section describes the intermediate outcomes achieved in relation to the targets set for each individual project.

Component 1: Community Mobilization

The goal of *Local planning* activities was to enable communities to pursue a development vision and implement related initiatives. In general, the projects supported by CED appear to have achieved the targeted outcomes despite the difficult economic situation. It is impossible to document the achievement of outcomes in the case of activities targeting the *Integration of target groups* because of the small number of projects and the lack of data on their performance.

Component 2: Community Development

Entrepreneurs and enterprises supported by CED contribute to their community's economic stability and growth. In the case of the *Local and regional enterprises* subcomponent, the majority of the SMEs directly supported by CED maintained or increased their net sales (79% of the projects) and the number of jobs (91% of the projects), despite the difficult economic situation. Since the quantitative data for NPO projects under the *Local and regional enterprises* subcomponent is fragmentary, it is impossible to assess the intermediate outcomes attained.

Component 3: Attractive Communities

In the case of the vast majority of the projects carried out by NPOs, it is difficult to assess the longer-term scope of the outcomes obtained, given the fragmentary nature of the data gathered through the

performance monitoring process.

Furthermore, the reliability of the *Tourism* subcomponent outcomes is limited, given the variety of collection methods and sources of performance information. This having been said, performance data compiled shows that the vast majority of tourism project proponents reported an increase in the number of tourists in target markets, or an increase in the overall number of tourists. In contrast, the number of tourists from outside Quebec dropped by 4.3% between 2007 and 2010.

As concerns the *Attractive assets* subcomponent, it is impossible to report on the overall outcomes because of the highly variable nature of the projects. Visitor data specific to each project shows that only 1 of the 9 projects achieved the targeted outcome; 6 were still in progress.

4.2.2.1. Component 1: Community Mobilization

Intermediate outcome for the *Local planning* subcomponent

Communities pursue a development vision and implement related initiatives.

Although there is a quantitative indicator for measuring the outcomes of projects under this subcomponent (Indicator: *Value of investment generated through the projects*), it is difficult to quantify the impact of activities targeting the mobilization of a community. For one thing, the impact in terms of helping communities take charge of their own development cannot be quantified. Furthermore, the resulting economic development and diversification projects (for example, an ethanol development feasibility study, the development of non-timber forest products, the development of the agri-food sector, etc.) are long-term undertakings.

Monitoring by business offices aimed at qualifying the effects of these projects on the targeted communities reveals that the projects have a major impact on the mobilization of local players and the extent to which communities take charge of their own development (see Table 22).

Table 22 Summary of the impact of *Local planning* projects

Outcome 1: Development stakeholders are mobilized around development issues specific to their communities.

- As shown by the monitoring carried out by the business offices, the projects help communities mobilize in order to take charge of their own development. In the case of a mobilization project targeting the establishment of a shared vision for the development of the Saguenay-Lac-St-Jean region, over 250 socio-economic stakeholders and decision-makers got together to discuss the recovery of their region. Along the same lines, the “*Concertation du Lac*” project, which targeted the same region, attracted over 350 participants from all across Quebec. These participants (organizations, businesses and researchers) took part in activities targeting the emergence of new development models.
- Further to these mobilization projects, development and diversification plans were developed and are currently being implemented.

Outcome 2: Development stakeholders have a vision, as well as development and diversification plans.

- In the vast majority of projects targeting this outcome, community stakeholders mobilized around issues in their communities, which led to the planning project funded by CED. Regardless of whether

- this mobilization stemmed from the closing of a key employer in the municipality, or arose out of a business opportunity, community stakeholders and the citizenry were strongly behind these projects.
- All of the development and diversification plans associated with the projects have been developed, and most of them have been implemented. Despite the fact that some projects, such as “Vision Pontiac 2020,” resulted in a major mobilization of all the community stakeholders for the implementation of their development plans, subsequent projects and investments are slow in getting off the ground (some require major investments; others are still under study or in the development phase).

Outcome 3: Communities implement development projects and initiatives.

- Monitoring shows that it is the mobilization of community stakeholders around a specific issue that leads them to promote an actual development project or initiative. For example, 1) community mobilization in partnership with the L'Islet MRC CLD resulted in the development of the region's non-timber products niche; 2) the development and the structuring of the *Gaspésie Gourmande* project is a product of the *Table de concertation agro-bio-alimentaire de la Gaspésie*, the Gaspésie ATR and the MAPAQ, as well as the interest of producers and manufacturers in the agri-food and tourism sectors.
- In the case of projects whose implementation is completed, it is difficult and sometimes too early to identify visible effects in terms of spinoff and investment. However, for some projects, such as the project involving the publicity campaign for Outaouais agri-food products, the beginning of a response can be seen. Further to funding for this project and the impact of the publicity campaign on the habits of consumers in the Outaouais region, businesses and stakeholders are realizing the leverage the region's image has for the sector.

Intermediate outcome for the *Integration of target groups* subcomponent

Target groups participate in regional development initiatives and structures.

The aim of activities targeting the *Integration of target groups* is to support target groups to allow them to take part in regional development initiatives and structures. It is impossible to document the achievement of this outcome because of the small number of projects and the lack of data regarding the performance of these projects.

4.2.2.2. Component 2: Community Development

Intermediate outcome for the *Entrepreneurship* subcomponent

Entrepreneurs have business projects.

No performance data were available for the *Entrepreneurship* subcomponent (see Table 23) since this indicator can only be measured two years after the enterprises are created.

Table 23 Intermediate outcome for the *Entrepreneurship* subcomponent

Indicator	SMEs ⁶⁰	NPOs ⁶¹
Outcome 1: Entrepreneurs have business projects.		
Two-year survival rate for startup enterprises	N/A	No performance data

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

However, the *Two-year survival rate for startup enterprises* indicator seems to measure a longer-term outcome than the target outcome for this subcomponent, which is simply *Entrepreneurs have business projects*. As shown in the immediate outcomes and in the Centre d'entrepreneurship HEC-POLY-UdeM case study, entrepreneurs receiving financial support from CED do indeed have business projects and are successfully implementing them.

Intermediate outcome for the *Local and regional enterprises* subcomponent

Enterprises contribute to their community's economic stability and growth.

The intermediate outcome of projects involving assistance for *Local and regional enterprises* is measured using indicators relating to the growth or maintenance of net sales and jobs in these enterprises. Performance data for these indicators were only available for projects carried out by SMEs (see Table 24).

Table 24 Intermediate outcome for the *Local and regional enterprises* subcomponent

Indicator	SMEs	NPOs
Outcome 2: Enterprises contribute to their community's economic stability and growth.		
Number of SMEs that maintained or increased their annual net sales after 2 years	48/57 SMEs = 84% (57 projects)	N/A
Number of SMEs that maintained or increased their number of jobs after 2 years	58/62 SMEs = 94% (62 projects)	N/A
Number of SMEs that created jobs	N/A	No data
Number of startup SMEs still in operation after 2 years	N/A	No data

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

NET SALES VARIANCE – Projects for which the monitoring is completed

An increase of over \$32 million (+32.6%) in net sales was recorded for the 57 SME projects whose monitoring is completed and for which net sales variance data are available⁶² (see Table 25). Broken down by fiscal year, projects from 2007–2008 posted a significantly higher increase in net sales than projects from the 2008–2009 fiscal year, which marked the beginning of the economic crisis.

Table 25 Net sales variance by fiscal year

Fiscal Year	Number of Projects	Net Sales: Reference	Net Sales Variance	Final Net Sales	Variance Rate
2007–2008	42	\$79,836,740	\$30,168,331	\$110,005,071	37.8%
2008–2009	15	\$19,832,918	\$2,278,263	\$22,111,181	11.5%
2009–2010	0	N/A	N/A	N/A	N/A
Total	57	\$99,669,658	\$32,446,594	\$132,116,252	32.6%

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

Of these 57 projects, 46 (80%) reported an increase in their net sales, 9 reported a decrease, and 2 maintained their net sales.

- For clients reporting an increase in net sales, the increase was +47.2% (\$38.2 million).

- For clients reporting a decrease in net sales, the decrease was -30.9% (-\$5.8 million).

The net sales variance rate seems to drop as the contribution amount rises. In fact, the variance was even negative (-25.3%) in the case of contributions of \$250,000 and over (see Table 26); however, there were only a few projects in this category.

Table 26 Net sales variance by contribution amount

Contribution (\$)	Number of Projects	Net Sales: Reference	Net Sales Variance	Final Net Sales	Variance Rate
Less than 100,000	36	\$38,241,768	\$19,958,815	\$58,200,583	52.2%
100k to 249k	17	\$52,773,082	\$14,679,381	\$67,452,463	27.9%
250k and over	4	\$8,654,808	\$(2,191,602)	\$6,463,206	-25.3%
Total	57	\$99,669,658	\$32,446,594	\$132,116,25	32.6%

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

The net sales variance rate also seems to vary according to the size of the business receiving funding. The increase in net sales among smaller businesses was higher than the overall average: 83.4% for businesses with net sales of less than \$1 million (the rate soars to 309% for the 13 SMEs with net sales of less than \$0.5 million), compared with 18.4% for SMEs with net sales between \$1 million and \$4.9 million, and 27.9% for those with net sales of \$5 million and over.

Although the majority of the projects achieved the targeted immediate outcome, 6 of the 35 SME development projects reported declines in net sales ranging from -7% to -49%, and 3 enterprise maintenance projects posted decreases in net sales of between -2% and -8%. Hence, net sales dropped in 9 (20%) of the 45 enterprise development and maintenance projects. In the case of enterprise creation projects, since these projects reported few or no sales, the net sales variance rate was higher and none of these enterprises posted a decline in net sales (see Table 27).

Table 27 Net sales variance by immediate outcome

Immediate Outcome	Number of Projects	Net Sales: Reference	Net Sales Variance	Final Net Sales	Variance Rate
Creation	12	\$556,297	\$6,136,992	\$6,693,289	1103.2%
Development	35	\$73,190,833	\$22,392,810	\$95,583,643	30.6%
Maintenance	10	\$25,922,528	\$3,916,792	\$29,839,320	15.1%
Total	57	\$99,669,658	\$32,446,594	\$132,116,252	32.6%

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

NET SALES VARIANCE – Projects that are still being monitored

Besides the projects whose performance monitoring is finished, it is also possible to obtain an overview of the outcomes of the 108 projects that are still being monitored.⁶³ As a whole, net sales for the enterprises that received financial contributions increased by \$8.2 million (\$75,657 per project), which represents an overall improvement of 3.1% (see Table 28).

Table 28 Net sales variance by fiscal year – Projects still being monitored

Fiscal Year	Number of Projects	Net Sales: Reference	Net Sales Variance	Final Net Sales	Variance Rate
2007–2008	30	\$92,310,370	\$(2,493,825)	\$89,816,545	-2.70%
2008–2009	53	\$101,901,581	\$5,853,075	\$107,754,656	5.74%
2009–2010	25	\$71,399,591	\$4,811,658	\$76,211,249	6.74%
Total	108	\$265,611,542	\$8,170,908	\$273,782,450	3.08%

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

In terms of the net sales variance by immediate outcome, the analysis shows that net sales for enterprise development projects were down 1.5% at the time of the most recent monitoring, with 17 of the 64 enterprise development projects reporting a drop in their net sales. However, overall increases in net sales were observed among enterprise creation (172%) and enterprise maintenance (11.4%) projects.

CHANGE IN THE NUMBER OF JOBS – Projects for which the monitoring is completed

For the 62 SME projects whose monitoring was completed and for which data regarding the change in the number of jobs was available (see Table 29), project proponents reported having created a total of 214 jobs (+19.3%). As was the case for the net sales variance, the increase in the number of jobs was much higher for 2007–2008 projects than it was for 2008–2009 projects.

Table 29 Change in FTEs by fiscal year

Fiscal Year	Number of Projects	Number of FTEs: Reference	Change in Number of FTEs	Number. of FTEs: Final	Variance
2007–2008	46	951.3	195	1,146.3	37.8%
2008–2009	16	157.3	18.9	176.2	11.5%
2009–2010	0	N/A	N/A	N/A	N/A
Total	62	1,108.5	214	1322.5	19.3%

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

Of these 62 projects, 45 (73%) reported an increase in the number of jobs, 4 reported job losses, and 13 saw the number of jobs remain the same.

- Among those clients reporting an increase in the number of jobs, the average increase was +30.3% (+249 jobs).
- Among those clients reporting a decrease in the number of jobs, the average decrease was -6.8% (-35 jobs).

The job variance rate was generally positive, regardless of the amount of the CED contribution. Although the rate was higher for contributions of \$250,000 and over, the sample of four projects was too small for definitive conclusions to be drawn (see Table 30).

Table 30 Change in FTEs by contribution amount

Contribution (\$)	Number of Projects	Number of FTEs: Reference	Change in Number of FTEs	Number of FTEs: Final	Variance Rate
Less than 100k	40	414.5	69.6	484.1	16.8%
100Kto249k	18	562	97.9	660	17.4%
250k and over	4	132	46.5	178.5	35.2%
Total	62	1,108.5	214	1,322.5	19.3%

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

With the exception of very small SMEs (net sales of <\$0.5 million), for which the variance rate was much higher (+113%), the change in the number of jobs was similar among all the enterprises, regardless of their net sales. This exception could be explained by the limited number of employees in very small SMEs (on average, less than 3 employees for these projects).

Although the majority of the projects achieved the targeted immediate outcome, 12 of the 39 SME development projects did not report job gains; 4 even posted job losses. The average decrease among these projects was 8.8 FTEs. In addition, 2 SME creation projects did not result in an increase in the number of jobs. In the case of enterprise creation projects, since these enterprises had no (or few) employees, the rate of change in the number of jobs was higher (see Table 31).

Table 31 Change in FTEs by immediate outcome

Immediate Outcome	Number of Projects	Number of FTEs: Reference	Change in Number of FTEs	Number of FTEs: Final	Variance
Creation	13	13.5	30.9	44.4	229.00%
Development	39	704.2	111.6	815.8	15.90%
Maintenance	10	390.9	71.5	462.4	18.30%
Total	62	1,108.5	214	1,322.5	19.30%

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

CHANGE IN THE NUMBER OF JOBS – Projects that are still being monitored

Besides the projects whose performance monitoring is finished, it is also possible to obtain an overview of the outcomes of the 129 projects that are still being monitored. As a whole, enterprises whose projects were still being monitored reported having created 227 jobs (1.8 jobs per project), which represents an overall improvement of 10.8% (see Table 32).

Table 32 Change in FTEs by fiscal year – Projects still being monitored

Fiscal Year	Number of Projects	Number of FTEs: Reference	Change in Number of FTEs	Number of FTEs: Final	Variance
2007–2008	34	524.1	61.4	585.5	11.71%
2008–2009	60	947.6	64.8	1,012.4	6.84%
2009–2010	35	630.4	101.2	731.6	16.06%
Total	129	2,102.1	227.4	2,329.5	10.82%

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

In terms of the change in the number of jobs by immediate outcome, the analysis shows that the majority of the projects are in the process of achieving the targeted objective. The variance was greater for enterprise creation projects (+1,085.1%) than it was for enterprise development (+5.5%) and enterprise maintenance (+4.3%) projects. However, 22 of the 129 projects are currently posting job losses.

4.2.2.3. Component 3: Attractive Communities

Intermediate outcome for the <i>Attractive Communities</i> component

Communities are recognized for their distinctiveness, brand image or outreach.
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Even though it is made up of the *Tourism* and *Attractive assets* subcomponents, the *Attractive Communities* component has only one intermediate outcome: *Communities are recognized for their distinctiveness, brand image or outreach*. As was the case for the *Community Mobilization* component, it is difficult to quantify the impact of activities targeting the recognition of distinctiveness, brand image or outreach. Furthermore, the immediate outcomes for the two subcomponents, as set forth in the results chain, are not in line with the expected intermediate outcome.

When the Agency designed and implemented the CD program, it defined a series of quantitative and qualitative indicators to measure the performance of its activities provided through this component. However, since the activities carried out under the *Tourism* and *Attractive assets* subcomponents differ considerably, none of the indicators apply to both subcomponents, and so little or no use was made of the majority of the indicators. The analyses of each subcomponent's performance are presented separately in the following section.

***Tourism* subcomponent**

To measure improvement in a community's tourism outreach, the Agency chose to use the number of tourists as the performance indicator for projects under this subcomponent. According to performance monitoring data, the vast majority of *Tourism* subcomponent project proponents reported an increase in the number of tourists from outside Quebec. However, performance measurement for tourism projects has certain limitations. First of all, the sources of data used to document the change in the number of tourists from outside Quebec vary from one project to the next, and so the outcomes are not all measured in the same way. Few projects use indicators relating to the total or targeted number of tourists. Furthermore, some of these sources are unreliable (for example, it may difficult or even impossible to separate the number of tourists from outside Quebec who belong to a target market from the total number of tourists from outside Quebec), while others are not very useful (for example, data on the number of tourists who visit a region in a given year are only available two years later). For all these reasons, the reliability of the following overview of the project outcomes is limited.

Of the projects aimed at increasing the number of tourists from target markets outside Quebec, 80% reported an increase in the number of tourists from these markets (see Table 33). Data from these projects show that the number of tourists from outside Quebec rose by 32%, or an average of 6,190 tourists per project. There was little difference between the increase in the number of tourists in 7/21 areas and non-7/21 areas.

Of the projects aimed at increasing the total number of tourists from outside Quebec, 13 (65%) attained their target. The number of tourists from outside Quebec increased by almost 19%. There was an average increase of 33,230 tourists from outside Quebec per project. Projects carried out in 7/21 areas

reported an average increase of 6,553 tourists per project, whereas projects in non-7/21 areas recorded an increase of 65,836 tourists. The other projects posted a decline in the number of tourists from outside Quebec (-9%).

In contrast, according to data from Tourisme Québec, the overall number of tourists from outside Quebec dropped by 4.3% between 2007 and 2010.

Table 33 Intermediate outcome for the *Tourism* subcomponent

Indicator	Target Achievement Rate
<u>Outcome:</u> Communities are recognized for their distinctiveness, brand image or outreach.	
Number of projects that reported an increase in the number of tourists from target markets	48/60 projects = 80%
Number of projects that reported an overall increase in the number of tourists	13/20 projects = 65%

Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

***Attractive assets* subcomponent**

To measure the impact of *Attractive assets* projects, the Agency established indicators aimed at measuring the impact of these projects on the creation, development and maintenance of enterprises within the area covered by the collective facilities receiving support. Little use was made of these complex indicators. Given the highly variable nature of the projects carried out under this subcomponent, it is impossible to report on their overall outcomes. The performance measurement of each *Attractive assets* project also includes indicators for measuring the increase in the number of visitors that can be specifically attributed to the project. Table 34, therefore, presents the overall results of indicators relating to the number of tourists. Of the 9 *Attractive assets* projects, 6 are still being carried out and only 1 has attained the established target.

Table 34 Intermediate outcome for the *Attractive assets* subcomponent

Indicator	Achievement Rate
<u>Outcome:</u> Communities are recognized for their distinctiveness, brand image or outreach.	
Achieved the intermediate outcome (Attractive assets)	1/9 projects = 11%

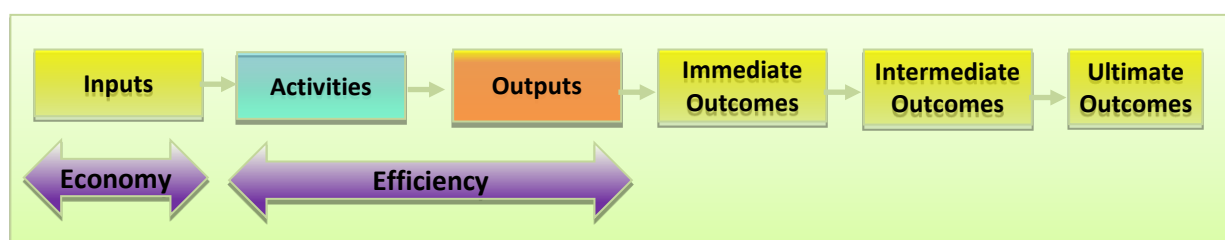
Source: Hermès system database – Authorized CD program projects from April 1, 2007, to March 31, 2010.

4.3. Demonstration of efficiency and economy

The *Policy on Evaluation* calls for a demonstration of efficiency and economy. The evaluation of program economy focuses primarily on the cost of resource acquisition (inputs), whereas efficiency is defined as the use of these resources to produce outputs. For the Agency, the evaluations of the CD and BRG programs are the first summative evaluations since the implementation of the *Policy on Evaluation* in 2009. These two evaluations aim to answer the following questions:

- To what extent is efficient use made of the human and financial resources allocated to the CD and BRG programs?
- Could the same results be achieved through other means at a lesser cost?

The evaluation of efficiency and economy covers the following aspects: grants and contribution project management practices, the use of resources, and client satisfaction with the services provided.



This section, therefore, attempts to address the issues of efficiency and economy for both the CD and the BRG programs. These responses include certain limitations or restrictions, namely

- the lack of specific directives and evaluation methods for demonstrating the efficiency and economy of government programs;
- the lack of data regarding the various costs, and the challenge of attributing the costs of specific resources to either one of the two programs;
- the scope of AIS data: these data refer solely to the time spent by business offices, and do not include human resources in other directorates and internal divisions; and
- the lack of cost targets or, failing this, of comparable data from other departments. The outcomes of the two programs, therefore, were used for mutual comparison.

Summary

To what extent does the Agency make efficient use of its human and financial resources allocated to the CD and BRG programs? Could the same results be achieved through other means at a lesser cost?

Notwithstanding the limitations identified and the lack of intermediate outcome and cost targets, the financial resources appear to have been used efficiently. Financial assistance was granted to projects that would not have been able to go ahead without CED's support. Furthermore, the Agency ensures that the nature of the assistance is in line with the enterprises' financial capacity. In terms of human resource management, the introduction of an innovative practice, the Activity Information System (AIS), allows the Agency to monitor the use of human resources in the business offices for financial and non-financial activities. In this regard, certain management aspects could be explored at greater length with a view to identifying potential efficiency gains.

Management of financial resources

- More than half (53.4%) of Agency assistance (\$251 million) awarded during the period from April 2007 to March 2010 was in the form of non-repayable contributions. Over 93% of the Agency's non-repayable contributions for the period from April 2007 to March 2010 went to NPOs (463 projects); the rest, \$18 million, went to SMEs (93 projects).
- Recipients of CED funding were able to obtain funding from other sources. Each dollar invested by CED generated \$3.93 in funding from proponents and other funding bodies.
- Three out of four SME respondents stated that they would have been unable to carry out their projects without CED financial assistance.

Management of human resources

- 158 full-time equivalents (FTEs) per year were employed to carry out activities relating to the Agency's programs in the various business offices.
- It took an average of 82.5 hours (88.4 for the BRG program and 78.3 for the CD program) to process a project at a business office, from the preparation of the application for financial assistance to the monitoring of claims. However, the time required for each project varies according to the size of the contribution.

4.3.1 *Review of management practices for grants and contribution programs*

Management practices have been improved over the years and have helped generate efficiency gains. The leverage effect, the incentive nature of the assistance and the use of different types of contributions all bear witness to continuous efforts to improve the efficiency and economy of program management.

Management practices

The Agency has introduced a number of mechanisms to ensure the continuous review of its program management practice. In 2007–2008, CED set up a performance management framework, along with a database (Hermès), which allowed it to compile and analyze program outcomes. The Agency also prepared a *Program Management Manual* and a *Manual on Program Performance Measurement*, and introduced a quality management system (ISO 9001).

In addition, the Agency implemented the AIS, a tool that makes it possible to enter time spent on activities generally associated with a specific project, with a view to identifying trends and extracting statistics required for resource planning. This tool was a key element in the analysis of efficiency and economy.

Leverage effect

At the Agency, the leverage effect is the ratio between the amount invested by CED and the amount of money from other sources. The overall leverage effect of CD and BRG program activities is high. Every dollar invested by CED generates a direct investment of \$3.93 by proponents and other funding bodies. The leverage effect is higher for the CD and BRG programs than it was for previous CED programs (IDEA-SME and RSI), whose leverage effect was \$3.81 and \$2.70, respectively.

More specifically, the leverage effect was analyzed by program, subcomponent, beneficiary and type of region. The findings are as follows:

- There is little difference between the leverage effects of the two programs—\$4.19 for the CD program and \$3.67 for the BRG program.
- Certain subcomponents of the two programs have higher leverage effects. In the case of the CD program, it is the *Local and regional enterprises* (\$5.00) and *Tourism* (\$4.77) subcomponents. For the BRG program, the two subcomponents are *Value chain management* (\$4.74) and *Pre-startup and startup of innovative enterprises* (\$4.62).
- Differences were also noted in terms of the type of recipient. The leverage effect was higher for SMEs (\$4.26) than it was for NPOs (\$3.67).
- The leverage effect also varied according to the type of region. Projects carried out in non-7/21 areas had a higher leverage effect than those in 7/21 areas (\$5.18, compared with \$2.59). This difference can be attributed to the stronger presence of funding bodies in the case of projects carried out in non-7/21 areas, which tend to be more urban.

Incentive nature of the assistance

Given the limited budget and the fact that access to funding is unequal among the various regions and sectors, and with a view to optimizing resources, the Agency supports projects that would be unable to go ahead without its financial contribution. This aspect is one of its project selection criteria. The Agency also measures this aspect in its annual survey.⁶⁴

According to data from the 2008–2009 survey, only 3.7% of SME respondents stated that they would have been able to carry out their projects, on the same scale and within the same time frame, without CED's assistance.

Type of contribution

CED supports various types of recipients by providing assistance in the form of non-repayable and repayable contributions and grants.

- During the evaluation reference period, 53.4% (\$251 million) of Agency assistance took the form of non-repayable contributions; the main recipients were NPOs, which received 93% of this assistance, or \$233 million.
- According to the *Policy on Transfer Payments*, non-repayable contributions can be granted to SMEs on an exceptional basis,⁶⁵ often justified by the businesses' inability to reimburse the funding. A total of \$18 million in non-repayable contributions was granted to 93 SME projects, accounting for 11% of all SME projects supported under the CD and BRG programs. Of these projects, 91 received a contribution of \$100,000 or less. The majority of these projects were approved under the CD program and involved enterprises set up in devitalized regions.
- The analysis of the outcomes of SME projects whose performance monitoring had been completed shows that the increase in net sales was similar, regardless of whether the enterprise received a non-repayable or repayable contribution.

4.3.2 Overview of human resource use in the business offices

Business office staff make up the primary resource required for the delivery of services to clients. As a result, the analysis of human resource management focuses on the time spent on financial and non-financial activities and on the management of grants and contribution projects (from the preparation of the application for financial assistance to the monitoring of claims).

Breakdown of time spent by category of financial and non-financial activities

Between November 2008 and October 2010, 158 full-time equivalents (FTEs) per year were employed in the various business offices, including 146 FTEs specifically dedicated to the delivery of the CD and BRG programs. Their work can be broken down into four broad categories of financial and non-financial activities:

- financial activities associated with preparing applications for financial assistance with recipients (SMEs and NPOs);
- development activities (project lobbying);
- activities related to the management and administration of projects and the offices themselves;
- support for the head office (HO), and other activities.

According to AIS data:

- 47% of the time entered was related to financial activities associated with preparing applications for financial assistance with recipients, and to development activities, i.e., time directly linked to the delivery of services for recipients;
- 42% of the time entered was spent on management (13%) and administrative (29%) activities; and,
- Almost 12% of the time was spent on other activities (support for head office, travel and training).

Given the lack of data from comparable departments or agencies, it is impossible to assess the breakdown of time among these four categories. It should also be noted that the analysis focused solely on the broad categories of activities in the Activity Information System. The *Management Activities*

category, for example, has four subcategories: *Office Management*, *Human Resources*, *Planning and Reporting*, and *Administration / clerical activities*. Furthermore, some subcategories include activities that could be considered more as support for head office than as office management or administration: corporate projects, ad hoc reports, responding to auditors, internal consultations, etc. At the moment, time spent by CO-2s on office management is classified as administration, since it is not management in the strict sense of the term. The current design of the AIS may result in an increase in the time entered under certain *Administration* and *Office Management* categories.

Breakdown of the type of activity by personnel category

AIS data provide an overview of the typical activities for each personnel category.

- Of the total time spent on development activities by business office staff, 70% involved business office advisors. In addition, business office advisors accounted for 72% of all time spent on financial assistance applications and 61% of time devoted to claims and monitoring.
- Of the total time spent on management, 46% involved business office directors; in terms of time spent on administration, 56% involved administrative assistants.
- Senior advisors were involved in all activities in similar proportions, with an emphasis on management duties, for which they accounted for 54% of the overall time.

Although the distribution of human resources among the various activities appears to be similar for the two programs, AIS data reveal significant variations from one business office to the next in terms of the use of various professional groups for a given activity (for example, in one office, assistants accounted for 1% of the time spent on claims, whereas in another office, they accounted for 33% of the total time spent on this activity). Some of the case studies also confirm that work organization varies from one business office to the next. Business office best practices with respect to work organization could therefore be documented and applied in other offices.

Cost of delivering authorized grants and contribution projects

Human resources account for the major part of the costs incurred by the Agency for the delivery of its services. Each project requires an average of 82.5 hours of processing, from the preparation of funding applications to the claim monitoring phase. The average number of hours spent managing a project was higher for the BRG program (88.4 hours) than it was for the CD program (78.3 hours).

The time devoted to projects was analyzed by the amount of the CED contribution, the type of program, the type of clientele and the project processing phase. A number of observations were made. The variance is primarily attributable to the claim and monitoring phase during the course of the projects.

The amount of the financial contribution has an impact on the average time required for the various project management phases. For example, the preparation of the funding application is the phase that requires the most human resources:

- The average processing time for contributions of less than \$100,000 was 42.7 hours.
- For contributions between \$100,000 and \$249,000, the average processing time was 51.3 hours.
- For contributions of \$250,000 or over, it took an average of 66.7 hours to process a project.

In terms of the processing phases, two phases accounted for almost all of the time spent managing grants and contribution projects.

- Preparing funding applications and processing claims and monitoring during the course of the projects accounted for over 91.7% of the total time devoted to the projects (an average of 75.6 hours per project).

- As concerns the phase involving the processing of claims and monitoring during the course of the project, which accounted for the second-highest number of hours per project (an average of 22.5 hours), the time spent also varied according to the amount of the funding provided by CED, as well as the type of client and the program subcomponent. However, the time spent on this phase could be underestimated, since a very small proportion of the CD and BRG program projects had reached the contribution repayment step. This limitation also means that more time could actually be spent on monitoring after the final payment than the data suggest.

4.3.3 Client satisfaction with the quality of services and the administrative process

CED has implemented various mechanisms for ensuring the efficiency of its services. Management reviews of the ISO 9001 certified quality management system are conducted on a regular basis. The Agency's business offices and support services have had ISO certification for over 10 years.⁶⁶ Renewed in the winter of 2010, this certification supports efforts to improve the quality of CED's services. The Agency also conducts a telephone survey to gauge client satisfaction with respect to service quality.

Service quality

CED pays particular attention to the quality of its client service. In its most recent survey, the Agency exceeded the objectives it had set regarding the key aspects of its client service (see Table 35).

- In 2008–2009, 93.1% of the respondents interviewed felt that the quality of CED's service in general was "very satisfactory" or "satisfactory,"⁶⁷ which is higher than the objective of 90% set by the Agency. The courtesy of personnel (97.5%), the competence of personnel (94.6%) and the clarity of the contribution agreements (91.1%) were the highest rated aspects.
- Almost 9 out of 10 clients (87.1%) said they were satisfied with the processing time for funding applications, which is higher than the objective set by the Agency. There is little difference between the two programs and the two types of recipients. In 2008–2009, 86% of CD program clients said they were "very satisfied" or "satisfied" with funding application processing times. The rate for the BRG program was 80%. Very few respondents said they were "dissatisfied" or "very dissatisfied" with funding application processing times (4% for the CD program and 10% for the BRG program).

Table 35 Rate of client satisfaction with the key aspects of the service

Key aspect of the service provided	Objective	Result
Quality of the service in general	90%	93.1%
Accessibility of the services	85%	88.8%
Coaching received during the process	85%	89.4%
Ability to respond to proponents' needs	85%	84.5%
Response time for financial assistance applications	70%	80%
Processing time for claims and reimbursement requests	80%	83.4%
Competence of personnel	90%	94.6%
Courtesy of personnel	95%	97.5%
Clarity of publications and informative brochures	N/A	86.4%
Clarity of the contribution agreements	N/A	91.1%

Source: 2008–2009 Annual Survey

In support of the survey data, the findings of the case studies carried out in the MRCs also show that the response time for funding applications is considered to be short and satisfactory. However, according to the benchmarking study,⁶⁸ CED processing times are twice as long as MDEIE's: the study notes that CED's policy in this regard is 25 to 46 days, whereas CED internal tools⁶⁹ target a response time of 35 to 65 days, depending on the scope of the project. The study also notes that CED respects its processing time commitment in 50% of cases.

Administrative red tape

The following question was included in the 2008–2009 Annual Survey in order to assess clients' perception of the administrative red tape associated with the processing of applications: *"Regarding the preparation of your financial assistance application, do you consider that Canada Economic Development's requirements concerning documentation such as legal documents, business plan and, financial statements are minimal, reasonable or cumbersome?"*.

- The majority of the respondents for both programs (76% for the CD program and 78% for the BRG program) considered the documentation requirements to be "minimal" or "reasonable."
- Broken down by type of recipient (SMEs and NPOs), the difference was relatively insignificant.
- The perception of the administrative red tape seemed to remain the same throughout the course of the project, from the application for funding to the project monitoring phase.

The people interviewed as part of the case studies noted the speed and the simplicity of the agreement, the business approach and CED's open-mindedness to the projects being presented. The MRC case studies also revealed that the claim processing phase is sometimes perceived as inflexible, given the expense eligibility criteria, particularly for commercialization and marketing activities.

5. Recommendations and Management Response

Evaluation issue	Recommendation
Relevance	
Continued need for the program	Yes – see recommendation 1
Alignment with government priorities	<i>No</i>
Alignment with federal roles and responsibilities	<i>No</i>
Performance	
Effectiveness: Achievement of expected outcomes	Yes – see recommendations 2 and 3
Demonstration of efficiency and economy	Yes – see recommendation 4

The following recommendations are based on the evaluation findings.

Recommendation	Responsibility Centre	Management Response	Expected Completion Date
Issue: Relevance			
<p>1. When developing a program or an initiative, the Agency should clearly document the needs to be met and the expected outcomes so that they can be rigorously measured and evaluated.</p>	PRPB	<p>The Agency has reviewed and adjusted its strategic framework and Program Activity Architecture (PAA), which come to term on March 31, 2012. This process allowed the Agency to update its tools and practices by modernizing, tailoring and simplifying them, with a view to improving the organization's efficiency and effectiveness. Within the framework of its program renewal exercise, the Agency provided a well-documented account of the socio-economic issues and problems it planned to address. In this respect,</p> <ul style="list-style-type: none"> • Consultations were held among clients (NPOs and SMEs) as part of program evaluations, and among Agency employees and managers, to determine the needs and future challenges of SMEs and the regions of Quebec. • An analysis of the economic context in Quebec (e.g., trends, issues, challenges, etc.) was conducted as part of the development of the Strategic Framework (28 fact sheets were prepared dealing with various themes linked to potential CED activities). • The Agency's 2012–2017 Strategic Framework was renewed, in accordance with the organization's mandate and in line with government priorities. It presents the issues and challenges facing Quebec communities and entrepreneurs, and defines the scope of the areas of activity in which the Agency intends to intervene in order to contribute to business and regional development. • The relevance of the Agency's intervention and the identification of the needs it aims to meet through each of the targeted components (e.g., entrepreneurship, productivity, etc.) were analyzed. This information is included in the profiles of the nine program components. • The logical models for the program sub-activities include narrative exposés explaining how the activities will translate into 	April 2012

Recommendation	Responsibility Centre	Management Response	Expected Completion Date
<p>the expected results, with a view to determining the best indicators for tracking progress toward the desired change.</p> <ul style="list-style-type: none"> The Agency also developed an economic development index that will allow it to track regional development over the long term and provide an objective and comparable snapshot of the 104 MRCs. 			
Issue: Effectiveness			
<p>2. The Agency should simplify performance measurement and reduce the number of indicators used. In the case of the summative evaluation, the performance analysis was based solely on a small number of the indicators used. The Agency should also develop and implement a performance measurement strategy in order to improve the monitoring of NPO project outcomes.</p>	DPB	<p>The Agency has undertaken a process aimed at simplifying its performance measurement. The performance measurement strategies of future programs will reflect the results of this process, and will also include a proposed strategy for better documenting the outcomes of projects carried out by NPOs.</p>	April 2012
<p>3. The Agency should establish outcome targets for its new programs. These targets would ensure better reporting of the programs' efficiency and effectiveness, and would meet the requirements of the Treasury Board <i>Policy on Management, Resources and Results Structures</i>.</p>	PRPB	<p>Within the framework of the development of results chains and the performance measurement framework linked to the new PAA, the Agency defined outcome targets for each of its program activities. These targets were established further to internal consultations, and are based on an in-depth analysis of available historical data, reports and studies, available budgets and potential future priorities.</p>	April 2012

Recommendation	Responsibility Centre	Management Response	Expected Completion Date
Issue: Efficiency and economy			
<p>4. For its new programs, the Agency should develop an appropriate costing framework that establishes the value of the resources used to obtain an activity, output or outcome. The Agency should also include, in the performance measurement strategies for its new programs, a framework for analyzing efficiency, along with the associated indicators.</p>	Financial Resources Branch / DPB	<p>The PARM, on behalf of the DFB, will develop an appropriate costing procedure that will allow the Agency to clearly identify the delivery costs associated with the initiative.</p> <p>Indicators relating to inputs (human and financial resources) will be established during the development of the performance measurement strategy.</p>	April 2012

ENDNOTES

1. They replace the *Regional Strategic Initiatives* (RSI) program (1997 to 2007) and the IDEA-SME program (1995 to 2007).
2. Canada Economic Development, *Results-based Management and Accountability Framework and Risk-based Audit Framework – Program – Community Diversification*, August 2007, pp. 3-4.
3. Ibid., p. 4.
4. In December 2009, the Agency adopted a simplified Program Activity Architecture (PAA). The *Community Development* component was renamed *Local and regional enterprises*.
5. The *Attractive Communities* component was renamed *Tourism and Community Facilities*.
6. In December 2009, the Agency adopted a simplified Program Activity Architecture (PAA). The evaluation is based on the so-called “operational” PAA (see above), which is the basis for the Agency’s performance monitoring.
7. Canada Economic Development, *Formative Evaluation of the CD and BRG programs*, November 2010.
8. Ibid.
9. *Ouverture de la programmation* (Presentation), March 25, 2009.
10. The *Program Management Manual* is the source of program management information for Agency advisors.
11. Canada Economic Development, *Results-based Management and Accountability Framework and Risk-based Audit Framework – Program – Community Diversification*, August 2007.
12. Treasury Board Secretariat, *Directive on the Evaluation Function*, April 1, 2009. [<http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=15681>] (site consulted on August 23, 2011).
13. Institut de la statistique du Québec.
14. Industry Canada, Small Business and Tourism Branch, *Special Survey*.
15. Business Development Bank of Canada. *Survey Conducted Among Angus Reid’s Forum Panel for the October 2010 Small Business Week*, June 2010.
16. Canada Economic Development, *Policy Directions 2006–2011*, 2007, p. 45.
17. Ibid., p. 38.
18. 1) Proportion of government transfers; 2) Proportion of the population aged 15 and over without a high-school diploma; 3) Average employment income for the 25-64 age group; 4) Employment assistance rate; 5) Family low-income rate; 6) Employment rate for the 25-64 age group; and 7) Interregional migration rate.
19. Canada Economic Development, *Policy Directions 2006–2011*, 2007, p. 51.
20. Fondation de l’entrepreneuriat, *Indice entrepreneurial québécois 2010 : Qu’est-ce que les entrepreneurs québécois ont dans le ventre?*, 2010, p. 8.
21. Ministère du Développement économique, de l’Innovation et de l’Exportation (MDEIE), *Guide de discussion : Vers une stratégie de l’entrepreneuriat*, 2010, p. 4.
22. Ibid.
23. Ibid., p. 5.
24. Canada Economic Development, *Policy Directions 2006–2011*, 2007, p. 58.
25. Ibid., p. 39.
26. Canada Economic Development, Business offices’ 2009–2012 business plans. The three business offices that did not target tourism were the Estrie, Centre-du-Québec and Montreal Island business offices.
27. Conseil québécois des ressources humaines en tourisme, *Diagnostic sectoriel de la main-d’œuvre en tourisme*, 2010, p. 6.
28. Tourisme Québec, *Le tourisme en chiffres : Édition 2010*, 2010, p. 21.
29. In Quebec in 2009, all industries combined, there were 3,844,200 jobs. Source: Institut de la statistique du Québec [<http://www.stat.gouv.qc.ca/>] (site consulted on August 23, 2011).
30. Tourisme Québec, *Le tourisme au Québec en bref*: 2003 to 2010 editions. [<http://www.tourisme.gouv.qc.ca/publications/categorie/tourisme-quebec-bref-53.html>] (site consulted on August 23, 2011).
31. Ibid., p. 26.

32. Ibid., pp. 34, 36.
33. Canada Economic Development, *Policy Directions 2006–2011*, 2007, p. 61.
34. Total of 589 projects (does not include 21 projects that could not be associated with a region).
35. Canada Economic Development, *Policy Directions 2006–2011*, 2007, p. 38.
36. Tourisme Québec, *Le tourisme en chiffres : Édition 2010*, 2010, p. 33.
37. Does not include the Nord-du-Québec region.
38. Included in the table is additional funding received by the Agency for the Pavillon de l'Éducation physique et des sports (PEPS) at Laval University (\$4.5 million), the Planetarium (\$9 million) and the Eeyou Communications Network (\$9.6 million) projects.
39. This percentage includes the Abitibi-Témiscamingue, Bas-Saint-Laurent, Côte-Nord, Gaspésie-Îles-de-la-Madeleine, Mauricie and Saguenay-Lac-Saint-Jean regions. The Nord-du-Québec region and the 21 devitalized MRCs could not be included in this calculation.
40. Government of Canada, *Speech from the Throne*, 2010, p. 11.
41. Government of Canada, *Advantage Canada: Building a Strong Economy for Canadians*, 2006, pp. 9, 73.
42. Government of Canada, *Speech from the Throne*, 2010, p. 4.
43. Government of Canada, *Budget Speech*, 2007, p. 17.
44. Government of Canada, *Budget Plan*, 2009, pp. 181-182.
45. Government of Canada, *Budget 2010: Leading the Way on Jobs and Growth*, p. 63.
46. Government of Canada, *Speech from the Throne*, 2007 & 2009.
47. Government of Canada, *Budget Plan*, 2009, p. 177.
48. Government of Canada, *Budget 2010: Leading the Way on Jobs and Growth*, p. 56.
49. Ibid., p. 198.
50. Justice Canada, *Economic Development Agency of Canada for the Regions of Quebec Act*, sections 6 and 11, assented to on June 23, 2005. [<http://laws-lois.justice.gc.ca/eng/acts/E-1.3/FullText.html>] (site consulted on August 23, 2011).
51. AECOM Tecult, *Analysis of Provincial, National and International Regional Development Organizations and Programs*, 2009, p. 20.
52. Justice Canada, *Economic Development Agency of Canada for the Regions of Quebec Act*, subsection 10(2), assented to on June 23, 2005. [<http://laws-lois.justice.gc.ca/eng/acts/E-1.3/FullText.html>] (site consulted on August 23, 2011).
53. AECOM Tecult, *Analysis of Provincial, National and International Regional Development Organizations and Programs*, 2009, p. 44.
54. The *Other* category often refers to money provided by the proponent or relatives.
55. Includes the accommodation tax.
56. Treasury Board Secretariat, *Directive on the Evaluation Function*, April 1, 2009. [<http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=15681>] (site consulted on August 23, 2011).
57. The achievement rate is calculated by grouping together all of the data compiled (e.g., the number of activities carried out = 500) divided by the expected outcome as defined when the contribution agreement was drafted (e.g., the number of activities planned = 1,000 activities).
58. It should be noted that other projects targeting these groups may have been carried out under other program components.
59. Projects with status 607-609-700 (project not completed) were included in the outcomes of SME assistance projects in order to give a true project success rate.
60. The intermediate outcomes of projects involving direct assistance to SMEs only include projects for which outcome monitoring is completed, and for which reference and observed data is available.
61. Intermediate outcomes for NPO assistance projects include all projects with target outcomes and monitoring data, even though the outcome monitoring may not necessarily be completed.
62. Projects whose monitoring period ended on November 29, 2010.
63. The performance monitoring period extends two years after the project completion date.

- 64. Question: “Without Canada Economic Development’s help, would it have been possible for you to carry out your activities or start your project?”
- 65. Canada Economic Development, *Program Management Manual*, 2010.
- 66. Agency’s intranet site.
- 67. Clients who received Agency services in 2008–2009.
- 68. AECOM Tecsalt, *Analysis of Provincial, National and International Regional Development Organizations and Programs*, Final Report, June 2009, page 34.
- 69. Canada Economic Development, *Service Standards and Target Response Time* (site consulted on August 23, 2011).