

# Mid-term Evaluation of the Economic Recovery Initiative for Lac-Mégantic: Summary



## Objective of the Initiative

To support the economic recovery of Lac-Mégantic, following the significant damage in the centre of the town caused by the derailment and the explosion of a train carrying 7.5 million of litres of oil.

## The Initiative's Highlights

- \$35 million budget.
- Three components: i) Direct assistance to the reconstruction of the downtown, ii) Direct assistance for businesses, and iii) Investment funds.
- As of March 31 2016 :
  - 22 projects approved
  - \$21,6 million in grants and contributions were awarded
  - 10 SMEs, Town of Lac-Mégantic and Mégantic CFDC were assisted
  - \$5 million investment for the creation of two funds: i) the Economic Stimulus Fund, and ii) the Community Infrastructure Fund.

## About the Evaluation

- The evaluation assessed the relevance, effectiveness and efficiency of the Economic Recovery Initiative for Lac-Mégantic, and focused on factors of success to inform similar initiatives in the future.
- The evaluation covers the period from July 2013 to March 2016.

## What the Evaluation Highlighted

- The Initiative responded to an urgent need to stabilise the economy of the town of Lac-Mégantic as a result of the significant damage caused by the tragedy and was essential to the relocation and survival of some of the affected businesses.
- The needs that existed before the tragedy are still present in this town located within a Regional County Municipality facing issues related to economic diversification, labour shortage and negative migration balance.
- The Initiative is complementary to other programs, decrees and funds implemented in response to the tragedy.

- It is also being undertaken in collaboration with other stakeholders, while a dedicated CED team is ensuring an on-site presence.
- It is aligned with government priorities by contributing to the economic growth of Quebec regions, particularly those struggling with economic difficulties.
- The mid-term results are positive despite the absence of results targets. The initiative is progressing as planned: 22 projects have been approved, which represent \$21,6 million in grants and contributions. Twelve projects are completed including the creation of a cutting-edge technology business that contributes to economic diversification.
- Through the Mégantic CFDC Investment Fund, the Initiative has also enabled the implementation of 36 projects and the maintenance and creation of nearly 500 jobs in the region.
- Each dollar contributed by CED generated \$2.42 in additional investment.
- Community stakeholders, financial partners and project proponents have expressed their satisfaction with CED's services and collaboration through this initiative.
- Project eligibility criteria were adapted to better meet the needs of potential clients.
- The dedicated human and financial resources and frequent on-site visits of CED's team have contributed to the successful implementation of the Initiative.

## Recommendations (as agreed upon by management)

- In order to be able to measure the achievement of results in the summative evaluation in 2021-2022, CED should identify outcome targets for this initiative. Also, CED should systematically set targets for its programs and initiatives as they are created. → **Deadline: June 30, 2018.**
- Given the successful development and implementation of this Initiative, CED should plan an additional operating budget to ensure the active presence of a dedicated team on the ground for similar initiatives in the future. → **Deadline: Ongoing.**

