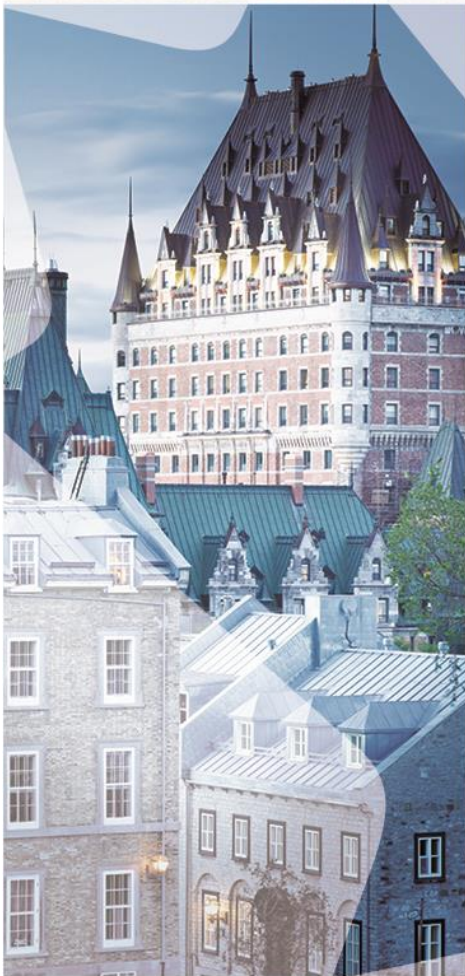




**MID-TERM EVALUATION OF THE
ECONOMIC RECOVERY
INITIATIVE FOR LAC-MÉGANTIC**

2017



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List of Acronyms

CED	Canada Economic Development for Quebec Regions
CFDC	Community Futures Development Corporation
MAMOT	<i>Ministère des affaires municipales et de l'occupation du territoire du Québec</i>
MDDELCC	<i>Ministère du développement durable, de l'environnement et de la lutte aux changements climatiques du Québec</i>
MESI	<i>Ministère de l'économie de la science et de l'innovation du Québec</i>
MSP	<i>Ministère de la sécurité publique du Québec</i>
NPO	Non-Profit Organization
QEDP	Quebec Economic Development Program
RCM	Regional County Municipality
SME	Small and Medium Enterprise

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Summary

CED supports economic activity in Quebec communities experiencing economic shocks or where there are major economic development issues or promising opportunities for development.

This report presents the results of the *Economic Recovery Initiative for Lac-Mégantic* (hereinafter referred to as “the Initiative”).

What needs did the Initiative target? Do these needs still exist?

- ❑ The Initiative targets economic recovery, following the major damage caused by the accident. Infrastructure in the centre of the town was destroyed or damaged; the soil and waterways were contaminated; a number of businesses were affected, and some businesses in the industrial park had to deal with indirect adverse effects, such as high transportation costs due to the inaccessibility of rail transportation.
- ❑ The urgent needs stemming from the accident have been met. There is still some reconstruction work to be done, and ongoing efforts are required to increase the customer base of local businesses. The issues are the same as those that existed prior to the accident: a lack of diversification, a labour shortage and negative net migration.

To what extent did the Initiative meet the needs?

- ❑ As on March 31, 2016, 64% of grants and contributions had been authorized, and assistance was being allocated as planned.
- ❑ Feedback obtained during interviews shows that non-repayable contributions for the relocation of affected businesses responded to a significant need; in fact, for some businesses, CED’s assistance was virtually essential to their survival.
- ❑ The variety of projects under the three components of the Initiative responded to the numerous economic issues that surfaced in the wake of the tragedy.

**To what extent does the Initiative complement available funding services?
Is the federal government's role necessary?**

- According to the various sources questioned on this matter, CED's assistance complemented the funding provided through other programs, decrees and funds put in place in the months following the tragedy.

What was the degree of co-operation and consultation between CED and its partners for the implementation of the Initiative?

- The presence on the ground of a dedicated team from CED resulted in the establishment of a level of co-operation deemed excellent by the other stakeholders. Being present on-site helped CED fully understand the challenges, and provide appropriate assistance for the affected businesses and organizations.

To what extent is the Initiative in line with the Government of Canada's priorities?

- The Initiative responds to the government priorities targeted in its ongoing financial support, and is in line with CED's strategic result to contribute to the economic growth of the regions of Quebec.

To what extent has CED's support contributed to the achievement of immediate and intermediate results? What factors (internal or external) contributed to, or hampered, the achievement of results?

- While the Initiative does not have any targeted results, the preliminary results are positive. The leverage effect is \$2.42, and the three businesses that received assistance, having completed their projects two years ago, have increased their annual sales.

Did any issues arise or were there any facilitating factors during the development or implementation of the Initiative? Were there any lessons learned?

- The Initiative was successfully developed to meet the identified needs.
- Generally speaking, the implementation of the Initiative was a success. Community stakeholders, financial partners and proponents are all very satisfied with the services and co-operation with CED.

- An on-site presence and involvement in the community are important during the implementation phase of an initiative such as this. This presence allows actions to be better tailored to needs, and ensures complementarity with the other stakeholders. To ensure an on-site presence, a specific operating budget is required for a dedicated team, and to cover travel costs.

Recommendations and Timeframes

- **Recommendation 1:** In order to be able to measure the achievement of results in the summative evaluation foreseen 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
- **Recommendation 2:** 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 future, similar initiatives.
 - Ongoing

Introduction

On July 6, 2013, a train carrying 7.5 million litres of crude oil derailed and exploded in the centre of the town of Lac-Mégantic, causing 47 deaths and significant damage. Several buildings in the downtown area were completely destroyed in the accident, and the shores of Lac-Mégantic and the Chaudière River were contaminated, as were the municipality's water and sewer systems.

On July 22, 2013, the Government of Canada announced \$60 million in financial assistance to support response and recovery efforts in Lac-Mégantic. Of this amount, an initial \$25 million was given to Public Safety Canada to meet immediate response and recovery needs (rescue and evacuation costs, short-term security measures, the removal of hazardous material, etc.) Subsequently, \$35 million was granted to CED for the implementation of the *Economic Recovery Initiative for Lac-Mégantic*. On December 6, 2013, CED announced the implementation of this initiative.

The evaluation report is divided into six sections. The first section describes the delivery approach and outlines the terms and conditions of the Initiative. The second section outlines the components of the evaluation strategy. The three subsequent sections present the findings with respect to the Initiative's relevance, effectiveness, and efficiency. Finally, section six sets out an action plan.

1. Description of the Initiative

Delivery Approach

The initiative took effect on July 6, 2013, and will end on March 31, 2020. The total planned envelope is \$35 million (\$33.9 million in grants and contributions and \$1.1 million in operating expenses). The goal of the Initiative is to support projects that contribute to Lac-Mégantic's economic recovery. The delivery approach has three components:

1. **Direct assistance for the reconstruction of the town of Lac-Mégantic:** Up to \$20 million has been allocated to this component, which targets public infrastructure upgrading and enhancement or construction projects (e.g., downtown reconstruction plan following the disaster, and infrastructure for the construction of the new downtown area);
2. **Direct assistance for businesses:** Up to \$10 million has been allocated to

this component, which aims to maintain and develop short-, medium- and long-term business activities (e.g., re-establishment and relocation of businesses and viable organizations; startup of new businesses and development of existing businesses);

3. **Investment funds:** Up to \$5 million for economic and commercial recovery efforts and community infrastructure.

As at March 31, 2016, 22 projects had been approved, totalling \$21.6 million in financial assistance for 10 SMEs, the town of Lac-Mégantic and Mégantic Community Futures Development Corporation [CFDC]). Among the projects that received funding was a \$5-million agreement with the Mégantic CFDC for the creation of two investment funds. The Economic Stimulus Fund allows the CFDC to fund projects that are smaller in scale than those generally funded by CED. The Community Infrastructure Fund was created to support projects aimed at improving the living environment.

Table 1

Projects and Assistance by Component as of March 31, 2016

Component	Type of Support	Number of Projects	Clients	Authorized Assistance
Business support	Support for SMEs directly or indirectly affected by the accident	13	10 SMEs	\$7.6M
Support for reconstruction	Reconstruction	8	Town of Lac-Mégantic	\$9M
Investment funds	Economic Stimulus Fund Community Infrastructure Fund	1	Mégantic CFDC	\$5M
TOTAL*		22		\$21.6M

Source: Hermes

Terms and Conditions

This initiative is part of the “Strengthening Community Economies” pillar, which is the third pillar of the Quebec Economic Development Program (QEDP). To be eligible, the projects had to be carried out in the town of Lac-Mégantic. Activities authorized under this pillar also include projects under the first two pillars of the QEDP, namely “Business Development” and “Regional Economic Development”, as well as public infrastructure projects.

Eligible activities could also include infrastructure upgrades and improvements or the construction of new infrastructure, such as highways and roads, rail lines, water treatment systems, water and sewage systems, libraries, recreational and community centres, parks, and developments for groups of businesses. The assistance rate could be as much as 100% for all projects (SME and NPO projects), and the stacking limit of government assistance was 100% of eligible costs. Furthermore, even though the Initiative was announced on December 6, 2013, costs were eligible retroactive to July 6, 2013, the date of the tragedy.

2. Evaluation Strategy

Evaluation Mandate and Strategy

CED committed to conduct an evaluation, within the framework of the 2016-2017 QEDP evaluation, and to provide a results update in 2020.

Methodology

The evaluation focuses on the 22 projects approved between July 6, 2013, and March 31, 2016, and is based on an analysis of administrative data, a literature review, interviews with stakeholders and a survey of funding recipient. The objectives and parameters of the selected information-gathering tools are presented in Table 2.

Limitations of the Evaluation

- ❑ At the time of the evaluation, 12 of the 22 projects had been completed, and less than half of the funding had been allocated (\$15.7M/\$35M = 45%).
- ❑ The Initiative does not have any targeted results.
- ❑ The evaluation focuses more on implementation and immediate results than on intermediate and final results. Given that the Initiative was only recently implemented, performance data is still incomplete.
- ❑ In the “Effectiveness” section, indicators, such as the number of jobs created and maintained as a result of the projects funded by CED and delivered through the CFDCs, are based on different sources. In the first case, the indicators were evaluated on the basis of proponents’

financial statements, whereas in the second case, the information was gathered by means of a telephone survey carried out by the CFDC.

To mitigate these limitations, the information gathered was validated with CED stakeholders, and by consulting administrative documents.

Table 2
Objectives and Parameters of the Information-Gathering Tools

Information-Gathering Tool	Objectives	Parameters
Analysis of administrative data	Confirming business profiles and supplement survey data.	<ul style="list-style-type: none"> □ Examples of documents consulted: <ul style="list-style-type: none"> ▪ Project analysis and funding package ▪ Media review ▪ Feasibility plan
Literature review	Cross-examining the identified needs and their alignment with government priorities.	<ul style="list-style-type: none"> □ Examples of documents consulted: <ul style="list-style-type: none"> ▪ Evaluation reports ▪ Official federal government documentation
Interviews	Obtaining the viewpoint of various stakeholders regarding the Initiative's relevance, efficiency and effectiveness.	<ul style="list-style-type: none"> □ Nine semi-structured interviews <ul style="list-style-type: none"> ▪ with: CED representatives ▪ Funders ▪ Community stakeholders ▪ CED clients
Survey	Obtaining the viewpoint of clients regarding the implications of the Initiative and the impact on their organizations.	<ul style="list-style-type: none"> □ Six clients contacted by a specialized firm between May and July 2016

3. Findings with Respect to Relevance

What were the needs targeted by the Initiative?

- The Initiative targets economic recovery following the major damage caused by the accident. Infrastructure in the centre of the town was destroyed or damaged; the soil and waterways were contaminated; a number of businesses were affected, and some businesses in the industrial park had to deal with indirect adverse effects, such as high transportation costs due to the inaccessibility of rail transportation.

The town of Lac-Mégantic is located in the Le Granit RCM. The economic base of this RCM is not very diversified and is primarily built around ailing industries, such as the forestry and textile sectors.¹ Located far from any major centres, the Le Granit RCM is facing major labour shortage and negative net migration issues. Even before the tragedy, the town of Lac-Mégantic, which is an important regional hub in the RCM, had a relatively undiversified economy and was experiencing a labour shortage. The region does, however, have a number of tourist attractions, such as the Parc National du Mont-Mégantic and numerous mountains and lakes, which are assets in terms of the development of a local tourism industry.

The rail accident caused significant economic harm, destroyed or damaged infrastructure in the centre of the town, and resulted in the contamination of soil and waterways. A number of businesses were affected, and some businesses in the industrial park had to deal with indirect adverse effects, such as high transportation costs due to the inaccessibility of rail transportation.

Public Safety Canada provided support for the reconstruction of existing infrastructure and decontamination work, whereas the CED Initiative targeted economic recovery by supporting SMEs affected by the damage, as well as projects involving the upgrading of existing infrastructure or the installation of new infrastructure. In all, 74 commercial premises were located in the evacuation zone, and 39 others in the 'yellow zone,' which was evacuated as a precautionary measure. The tenants had to be relocated, while other businesses also experienced a drop in their clientele because of access difficulties.

Are the needs that existed at the launch of the Initiative still present?

- The urgent needs stemming from the accident have been met. There is still some reconstruction work to be done, and ongoing efforts are required to increase the customer base of local businesses. Existing issues are the same as prior to the accident: a lack of diversification, a labour shortage and negative net migration.

According to the information gathered, needs have evolved since the tragedy. When the data was collected, i.e., in the spring and summer of 2016, decontamination work had been completed and businesses wishing

¹ Source: <http://www.cldgranit.qc.ca/industrie.php>

to pursue their operations had been relocated. The town's current economic needs involve attracting workers, rebuilding and revitalizing the downtown core, increasing local retail traffic and pursuing diversification efforts. The loss of businesses—some consumers had given up on local businesses that were inaccessible—was an issue that needed to be addressed. As concerns infrastructure, the reconstruction of the downtown area has been completed. Streets, sidewalks and some buildings have been rebuilt; others will be rebuilt as projects are implemented.

With respect to businesses, some of the entrepreneurs who took part in the telephone survey did not express further needs, whereas others noted that they needed to enhance their productivity and expansion. During the interviews, some entrepreneurs and NPO representatives stated that they had labour requirements. Community stakeholders also noted that the need to attract industries and increase the local business clientele were key issues.

Since the tragedy, the construction of a rail bypass around the centre of the town has been an issue of major concern for the residents of Lac-Mégantic. A feasibility study, jointly funded with the Quebec government, is planned.

To what extent did the Initiative meet the needs?

- ❑ As on March 31, 2016, 64% of grants and contributions had been authorized, and assistance was being allocated as planned.
- ❑ Feedback obtained during interviews confirmed that non-repayable assistance for the relocation of affected businesses responded to a significant need; in fact, for some businesses, CED's assistance was virtually essential to their survival.
- ❑ The variety of projects under the three components of the Initiative responded to the numerous economic issues that surfaced in the wake of the tragedy.

Table 3 shows the projects and the amount of assistance provided under the three components of the Initiative. A total of 10 businesses received assistance for 13 projects (three businesses had two projects each) under the component involving assistance for SMEs and NPOs. In addition to supporting five affected businesses, the Initiative also provided support for three businesses that had incurred additional expenses because of the lack

of rail service; one business startup project; and four business productivity enhancement projects.

Table 3
Projects and Assistance by Component as of March 31, 2016

Component	Type of Support	Number of Projects	Authorized Assistance
Business support	Support for SMEs not affected by the accident	5	\$4,600,000
	Support for SMEs/NPOs indirectly affected by the accident	3	\$652,506
	SME support (businesses affected)	5	\$2,275,000
Support for reconstruction	Reconstruction	8	\$9,036,950
Investment funds	Economic Stimulus Fund Community Infrastructure Fund	1	\$5,000,000
TOTAL*		22	\$21,564,456

Source: Hermes

Some of the stakeholders interviewed noted that the Initiative complemented the activities of the other funding providers, and met needs. In their view, the non-repayable assistance for the relocation of affected businesses met an important need, adding that CED's support was virtually essential to the survival of these businesses. Others would have been able to re-open, but would have had a high level of debt.

Furthermore, according to some of the community stakeholders interviewed, CED's assistance could have been applied more universally so as to allow smaller businesses to obtain funding. This being said, the \$5M in funding granted to the CFDC specifically targets smaller projects that are not eligible for direct assistance from CED.

Assistance under the "Reconstruction" component is being allocated as planned, and the town must now decide which major projects it plans to carry out. Funding has been provided for 8 projects under this component: a recovery plan; the setting up and running of a project office; the construction of wharves; road work; the construction of a pedestrian walkway; the designing of 47 sculptures (two projects) and the rail bypass feasibility study.

To what extent does the Initiative complement available funding services? Is the government's role necessary?

- According to the various sources interviewed, CED's assistance complemented the funding provided through other programs, decrees and funds put in place in the months following the tragedy.

The circumstances in Lac-Mégantic were unique and required a rapid response and an exceptional approach by the government to assist those affected. The Prime Minister at the time asked the Minister for CED to quickly develop and implement an ad hoc economic recovery and reconstruction program. Co-operation and complementarity with the Government of Quebec and the other funding partners was ensured by CED's increased presence on the ground. The operating budget reflected the fact that this presence would ensure that the needs of the community were fully understood, and would allow for the coordination, with all the other stakeholders, of the drafting and implementation of a development plan. CED's assistance complemented funding provided through other programs, decrees and funds put in place in the months following the tragedy. These other initiatives are listed in Table 4.

In the survey, four out of six respondents stated that they had not tried to obtain assistance from other funders; the other two had applied to Quebec's Ministère de la Sécurité publique, the Red Cross, the CFDC, the Fonds Avenir Lac-Mégantic and a financial institution. Furthermore, four respondents noted that the main reason they had applied to CED for financial support was that they needed the Agency's support to complete their project funding packages. According to data from the client survey, four respondents thought CED's funding conditions were better than those of the other funders, whereas two respondents believe they were no better, no worse. Finally, two respondents believed that the availability and facility of processing of their applications were elements that gave CED a positive advantage over the other funders.

Table 4
Other Initiatives Complementary to CED's Assistance

Level	Organization	Initiatives	Estimated Assistance (\$M)
Federal	Public Safety Canada (PSC)	Emergency response measure	25
		Decontamination of the downtown area, the lake and the Chaudière River	47.5
Provincial	Ministère de la sécurité publique du Québec (MSP)	Emergency response and recovery measure	50
	Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques (MDDELCC)	Decontamination of the downtown area, the lake and the Chaudière River	47.5
	Ministère de l'Économie, de la Science et de l'Innovation du Québec (MÉSI)	<i>Fonds d'aide à l'économie de Lac-Mégantic</i> to support economic and tourism development in the town of Lac-Mégantic	10
	Ministère des Affaires municipales et de l'Occupation du territoire (MAMOT)	Buyback of affected buildings Town reinstallation and support project	55
Local and other	Fonds Avenir Lac-Mégantic	Fund from the town to support downtown reconstruction projects	4
	Canadian Red Cross	Donations to businesses for their relocation, out of a total of \$14M	3

What was the degree of co-operation and consultation between CED and its partners for the implementation of the Initiative?

- The presence on the ground of a dedicated team from CED resulted in the establishment of a level of co-operation deemed excellent by the other stakeholders. Being present on-site helped CED fully understand the challenges, and provide appropriate assistance for the affected businesses and organizations.

A dedicated CED team was set up. The team visited Lac-Mégantic regularly in order to get a clear understanding of needs, take part in the planning process, and assist affected businesses and organizations. This approach ensured a visible federal presence on the ground, which will be maintained over the entire course of the Initiative. Stakeholders and partners repeatedly expressed their appreciation of CED's continuous presence on the ground.

A roundtable was held once a month during the first 18 months following the tragedy to coordinate assistance. The meetings were attended by representatives of CED, MAMOT, the Red Cross, MÉSI, Sécurité publique du Québec and the town of Lac-Mégantic. In addition, frequent meetings were held with community economic stakeholders (the CFDC, the Centre Local de Développement [CLD] and the town of Lac-Mégantic) to make sure needs were clearly understood and to make any necessary adjustments.

At CED's initiative, many working sessions took place with the Ministère de la Sécurité publique du Québec and MAMOT, to coordinate assistance, particularly funding earmarked for affected businesses and the town of Lac-Mégantic. For CED, Canada-Quebec co-operation was a key factor in the success of delivery.

All of the interview participants applauded the excellent co-operation between CED and the other partners. Some noted that the high level of consultation and coordination meant that needs were adequately met, and ensured complementarity. The competence, professionalism and listening skills of the CED advisor responsible for the implementation were mentioned on a number of occasions. This was corroborated by the survey findings: five respondents noted that discussions had taken place between CED and the other funders, which had allowed them to obtain funding more quickly. One CED employee even earned an honorary mention from the Canadian Red Cross for his dedication and commitment to the Lac-Mégantic recovery efforts.

To what extent is the Initiative in line with government priorities?

- ❑ The Initiative responds to the government priorities targeted in its ongoing financial support, and is in line with CED's strategic result to contribute to the economic growth of the regions of Quebec.

The objectives of the Initiative are in line with the government priorities targeted in the government's financial support:

- July 22, 2013:² The Government announces \$60 million in assistance for reconstruction: \$25 million to be paid to Quebec for recovery and evacuation operations and the removal of hazardous material; and \$35 million for economic recovery activities.
- November 21, 2013:³ The Government announces \$95 million in assistance for the decontamination of the town.
- July 6, 2014:⁴ The Government announces that it will continue to provide support and adopt concrete measures to assist the town.

The Initiative is also in line with one of CED's strategic results, namely to contribute to the economic growth of the regions of Quebec, as well as with its final outcome targeting the strengthening of the economy. CED has been involved in economic recovery efforts in the past and has introduced special assistance measures following natural disasters, including two ad hoc initiatives similar to the initiative currently being evaluated in terms of its economic recovery objectives (one initiative following the torrential rains in Saguenay in 1996, and another initiative in response to the 1998 ice storm).

4. Findings with Respect to Effectiveness

To what extent has the Initiative contributed to the achievement of immediate and intermediate results? What factors (internal or external) contributed to, or hampered, the achievement of results?

- While the Initiative does not have any targeted results, the preliminary results are positive.
- The leverage effect is \$2.42, and the three businesses that received assistance, having completed their projects two years ago, have increased their annual sales.

² <https://www.publicsafety.gc.ca/cnt/nws/nws-rlss/2013/20130722-en.aspx>

³ <http://ici.radio-canada.ca/regions/estrie/2013/11/21/001-annonce-harper-megantic.shtml>

⁴ <http://www.lapresse.ca/actualites/dossiers/tragedie-a-lac-megantic/201407/06/01-4781497-lac-megantic-harper-assure-que-son-gouvernement-restera-solidaire.php>

Despite the fact that the Initiative does not have any targeted results, the preliminary results are positive. At the three-year mark of this seven-year Initiative:

- ❑ 64% of the allocated grants and contributions have been authorized (\$21.6 million out of a total of \$33.9 million).
- ❑ 10 SMEs and 2 NPOs have received funding for 22 projects; the NPOs are the town of Lac-Mégantic (eight projects) and the \$5 million Mégantic CFDC Investment Fund (the results for this fund are presented separately, in the following section).
- ❑ 12 of the projects had been completed at the time of the evaluation; only three had been completed for two years or longer.

In terms of results, the Initiative facilitated the startup of a business, which began its manufacturing operations in 2016. According to a community stakeholder, the startup of this cutting-edge business is an example of the economic diversification of Lac-Mégantic.

The total value of the financial contributions paid out, excluding the \$5-million CFDC fund, is \$16.6 million, for a total investment of \$56.6 million in businesses and the town of Lac-Mégantic. Every dollar contributed by CED generated an investment of \$2.42.⁵

According to their financial statements, the three SMEs that had completed their projects had increased their annual sales by 16%, 24% and 29%, respectively. In terms of job creation, the survey respondents stated that they had increased or maintained the number of employees in their businesses.

The economic recovery in the U.S. was mentioned as a factor that had a positive impact on the achievement of results. The negative factors noted included the lack of access to businesses because of the closure of the main street.

Results of the \$5 million Mégantic CFDC Investment Fund

Two years after the CFDC Mégantic Investment Fund was put in place, \$3.1 million has been paid out for 36 projects. As shown in Table 5, the CFDC

⁵ The \$2.42 leverage effect was calculated as follows: (Total investment: \$56,626,050 - Contributions paid: \$16,564,456) / Contributions paid: \$16,564,456.

has paid out a total of \$2.9 million in contributions, in addition to operating expenses and an advance (almost \$250,000). The CFDC's contributions generated a total investment of \$26.5 million in businesses and infrastructure. Every dollar invested by the CFDC generated an investment of \$8.⁶ The projects helped maintain and create almost 500 jobs.

Table 5
Results of the Mégantic CFDC Investment Fund

Year	Loans	Non-Repayable Contributions	Number of Jobs Created and Maintained	Local Spinoff
Economic Recovery Fund				
2014–2015	\$1,896,300	\$84,480	438	\$23,403,000
2015–2016	\$696,000	\$29,340	60	\$3,078,400
Sub-total	\$2,592,300	\$113,820	498	\$26,481,400
Community Infrastructure Fund				
2015–2016	n/a	\$166,000	n/a	n/a

Source: Mégantic CFDC

5. Findings with Respect to Efficiency

Did any issues arise or were there any facilitating factors during the development or implementation of the Initiative?

- The Initiative was successfully developed to meet the identified needs. Generally speaking, the implementation of the Initiative was a success. Community stakeholders, financial partners and proponents are all very satisfied with the services and co-operation with CED.

According to one of the people responsible for the implementation, the Initiative was able to meet needs because it was successfully developed. By establishing flexible terms and conditions, CED was able to adjust to needs and award non-repayable contributions to affected businesses. The \$5-million fund allocated to the Mégantic CFDC also facilitated access to smaller contributions.

⁶ The \$8.22 leverage effect was calculated as follows: (Total investment: \$26,481,400 - Contributions paid: \$2,872,120) / Contributions paid: \$2,872,120.

The six survey respondents indicated that they were very satisfied with the quality of the services provided by CED. They all “somewhat agreed” or “completely agreed” that processing times were reasonable and the services accessible; that the information provided responded to their needs; and that the formalities were simple and easy to understand. During the interviews, community stakeholders, financial partners and proponents all stated that they were very satisfied with the services and the co-operation with CED.

Were any lessons learned from the development and implementation of the Initiative?

- An on-site presence and involvement in the community are important during the implementation phase of an initiative such as this. This presence allows actions to be better tailored to needs, and ensures complementarity with the other stakeholders. To ensure an on-site presence, a specific operating budget is required in order to have a dedicated team, and to cover travel costs.

According to two community stakeholders and one proponent, to facilitate the implementation of similar initiatives, CED needs to ensure that it is familiar with the community and its needs. One of the two community stakeholders interviewed stated that CED should have consulted them during the Initiative’s development phase to determine needs, and the other stressed the importance of involving municipal employees and elected officials in the response to disasters such as the one at Lac-Mégantic. The persons responsible for the implementation at CED echo these comments, stating that involvement in the community, ensuring a presence, and listening, are important factors in the implementation of initiatives such as this. In their view, this presence helps to foresee projects, tailor activities to needs and ensure complementarity with the other stakeholders. To ensure an on-site presence, a dedicated team is required, along with an operating budget to cover travel costs.

6. Action Plan

Recommendations	Management Response	Deadline
<p>In order to be able to measure the achievement of results in the summative evaluation foreseen 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.</p>	<p>In the context of the new Policy on Results, the results targets for future initiatives will be identified at the design stage of initiatives to ensure consistency with departmental outcomes and CED interventions.</p>	<p>Within new initiatives, the new templates that are prescribed for Memorandum to Cabinet and Treasury Board submissions provide an appendix for the results, indicators and targets.</p>
	<p>In addition, targets and indicators will be developed for Chrysotile and Lac-Mégantic initiatives, in line with the requirements of the Policy on Results.</p>	<p>June 30, 2018</p>
<p>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 future, similar initiatives.</p>	<p>Within the context of initiatives aimed at supporting communities experiencing major economic development issues, CED recognizes that it needs to pay particular attention when it comes to listening to needs and working with stakeholders to ensure the effectiveness of its activities. With this in mind, dedicated resources should be planned to ensure an active presence on the ground.</p>	<p>Ongoing</p>

Responsibility Centres Concerned

- Policy, Research and Programs Branch (PRPB)
- Business Development and Infrastructure Branch (BDI)

