

## MANAGEMENT RESPONSE AND ACTION PLAN: FINAL EVALUATION OF THE EASTERN ONTARIO DEVELOPMENT PROGRAM

| RECOMMENDATION |  | MANAGEMENT RESPONSE AND ACTION PLAN<br><i>State "Agreed"/ "Disagreed" and describe course of action</i>  | MANAGEMENT ACCOUNTABILITY<br><i>Identify responsible office/executive</i> | ACTION COMPLETION DATE | CURRENT STATUS   |
|----------------|--|--|---|------------------------|--|
| #1             | <b>Program Design:</b><br>a) Investigate whether there is a better approach to planning and managing Collaborative Projects (i.e., regional projects), which involve funding from two or more CFDCs and benefit one or more communities, to address the concerns identified in this evaluation.        | Agreed. The guidelines for the 2014–19 iteration of EODP include a "Collaborative Economic Development Projects" (CEDP) component. These projects are centrally overseen by one organization, and they must demonstrate benefits to multiple communities and promote broad-based collaborative economic development. They must also show broad support within the region and from various partners and offer sustainable and measurable economic benefits to the regional economy. | Director, Community Economic Development                                  | April 1, 2014          | Completed.   |
|                | b) Examine approaches to reduce the number of NFP planning studies for projects that do not have available funds implement them.   | Agreed. The guidelines for the 2014–19 iteration of EODP include revised eligible activities that focus on three areas: expansion of economic assets; business development and growth; and business infrastructure. Although NFP organizations are eligible project recipients, they are required to demonstrate the capacity to deliver concrete actions as a follow-up to proposed planning studies.   | Director, Community Economic Development                                  | April 1, 2014          | Completed.   |
|                | c) Assess the relative value and balance of small projects versus large projects, given the decision to encourage larger, more strategic projects in 2013–14 and the fact that most businesses in eastern Ontario are small (micro) businesses with one or very few employees and do not require large | Agreed. FedDev Ontario assessed relative value and balance related to project size and consulted the Community Futures Development Corporations (CFDCs). It was determined that the current funding, which was implemented in the guidelines for the 2014–19 iteration of EODP, had merit. The CFDCs continue to draw on local intelligence to determine projects to support in their  | Director, Community Economic Development                                  | April 1, 2014          | Completed. The strategic plans of CFDCs provide a focused approach to EODP delivery. CFDCs can provide up to a maximum of \$100,000 non-repayable funding to for-profit while there is no limit to support not-for-profit organizations. CFDCs can |

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|                | funding amounts.  | communities, while the CEDP component of EODP provides a mechanism for funding projects that require larger amounts. The maximum allowable assistance to a for-profit business is \$100,000.   |   |                            | enter into multi-year agreements, which encourage strategic planning.  |
|                | d) Review the current funding approach, where each CFDC receives equal funding contributions, to determine whether funding should be allocated on a different basis that reflects the needs and priorities of the geographic areas covered.                                     | Agreed. CED will be meeting with the Eastern CFDC Network on September 21 to discuss the establishment of the working group (including identifying parameters, terms of reference/parameters, etc.). The working group will meet over the fall, with the aim of completing their work by December 2017. We will review the recommendations in Winter 2018 and present an internal assessment for discussion among senior executives before March 31, 2018. | Director, Community Economic Development                                  | March 31, 2018 (estimated) | A working group was established in the fall of 2017/18 to review the funding approach. The Recommendations from this working group are under review and will be considered for future implementation of EODP.      |
| #2             | <b>Third-Party Delivery:</b><br>a) Revise the funding approach, where supported projects must be completed by the end of the fiscal year in which the project started, to allow carryover to accommodate late-starting and multi-year projects.                                 | Agreed. The 2014–19 iteration of EODP has provided CFDCs with five-year funding agreements, which in turn has allowed CFDCs to put in place multi-year funding agreements with eligible project recipients.  | Director, Community Economic Development                                  | April 1, 2014              | Completed. All 15 CFDCs have entered into 5 year agreements with FedDev Ontario, each totalling \$2.5M. Where appropriate, CFDCs have entered into multi-year funding agreements with eligible project recipients. |
|                | b) Encourage CFDCs to benefit from the various approaches (e.g., processes, templates, software) developed and used by other CFDCs across eastern Ontario for EODP management and administration (e.g., promotion, application processing, project evaluation and selection) by | Agreed. The EOCFDC Network has assumed responsibility for sharing best practices and tools to improve the delivery of EODP across the 15 CFDCs in eastern Ontario.   | Director, Community Economic Development                                  | April 1, 2014              | Regular and ongoing Network meetings provide a platform to share CFDC best practices; discuss program progress; and opportunities for input into the Innovation Agenda priorities.                                 |

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|                | adopting the best practices and lessons learned, with the objective of improving efficiency. The Eastern Ontario CFDC Network (EOCFDC) could potentially lead this initiative.  |   |  |                                 |  |
| #3             | <b>Economic Research:</b><br>It is recommended that FedDev Ontario management undertake a study of the socio-economic situation in eastern Ontario to help determine the continuing need for a program similar to EODP as input to future program renewal. This should be carried out after the 2016 Census information becomes available. This study could also include determining if there is merit in extending the program to areas with similar economic needs in southwestern Ontario. | Agreed. FedDev Ontario will study the socio-economic situation in eastern Ontario to help inform future program direction, including program renewal.<br><br><u>Strategic Policy Response:</u> The Research and Analysis Team periodically works with Statistics Canada's Centre for Special Business Projects to develop a product known as the Community Analytic Tool (CAT). The CAT uses census data, as well as administrative data sources and annual surveys, to present indexed socio-economic data at the census subdivision level for southern Ontario communities. This indexed data will be used to benchmark and compare the socio-economic status of regional communities, including eastern Ontario. | Director, Community Economic Development; and Director General, Strategic Policy | March 31, 2017 – March 31, 2019 | The Community Analytic Tool can be used to undertake further sub-regional analysis. The tool is being updated with the complete 2016 data that was available at the end of 2017.<br><br>A number of community profiles were updated in 2014-15, which can help to support sub-regional performance at the community level through a more qualitative lens. Also, a contract has been awarded to update the community profiles in Southern Ontario. |
| #4             | <b>Intermediate and Ultimate Outcomes:</b><br>a) Assess the longer term benefits to the project funding recipients. Also, investigate the role that EODP funding has in launching the supported projects; and the project funding recipients' level of satisfaction and feedback in   | Agreed. FedDev Ontario will undertake a more comprehensive assessment undertaken as part of the next regularly scheduled program evaluation.  | Director, Community Economic Development and Senior Evaluation Manager           | March 31, 2020                  | The final evaluation (SOPi Evaluation) is expected to take place in 2019/2020.   |

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|                | relation to the delivery of the program. This would likely include a survey of project funding recipients, interviews with CFDCs and project funding recipients, and case studies of supported projects. |  |   |                        |  |
|                | b) Assess the program's impact on the ultimate outcomes, which would involve undertaking special analyses using Statistics Canada data, subject to data availability.                                    | <p>Agreed. FedDev Ontario will undertake a more comprehensive assessment of this impact of EODP as part of the next regularly scheduled program evaluation.</p> <p><u>Strategic Policy Response:</u> The Research and Analysis Team, working with Evaluation and Statistics Canada's Centre for Special Business Projects, examined a number of analyses for measuring the impact of various FedDev Ontario programs, including EODP. A critical piece of this was the matching analyses, which compared business performance of FedDev Ontario's recipients versus similar non-recipients along key benchmarks. The results provide relevant data for assessing EODP's impact on ultimate outcomes, including firm survival rate, firm growth (revenue and employment), and other important indicators.</p> | Senior Evaluation Manager and Director General, Strategic Policy          | March 31, 2020         | The final evaluation (SOPI Evaluation) is expected to take place in 2019/2020. |