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**Développement  
économique Canada**  
pour les régions du Québec

Près des **entreprises**,  
Près des **régions**.

## **Summative evaluation**

Canadian Initiative for the Economic  
Diversification of Communities Reliant  
on Chrysotile

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## List of acronyms

CED	Canada Economic Development
CEDICRC	Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile
CERT	Capital expansion région Thetford
CFDC	Community Futures Development Corporation
EDI	Economic Development Index
GBA+	Gender-based analysis plus
QEDP	Quebec Economic Development Program
RCM	Regional county municipality

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## Executive summary

This report presents the results of the summative evaluation of the Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile, implemented by Canada Economic Development (CED) from 2013 to 2020 in the Les Appalaches and Les Sources RCMs.

The evaluation, which covers the total spending (\$50.3 million) on the 65 projects that received funding under the Initiative from June 11, 2013, to March 31, 2020, examines the relevance of the Initiative, i.e., the extent to which it met the needs of the targeted clientele; its effectiveness, i.e., the results achieved; and the identification of barriers and the implications of the Initiative for target groups.

The summary presents the findings relating to the three evaluation issues covered in this evaluation.

### **Relevance: To what extent did the Initiative meet the needs?**

- In general, the economic indicators observed from 2016 to 2019 reflected positive economic development in line with the objectives of the Initiative.
  - The Les Appalaches RCM now has a diverse industrial structure and a renewed pool of businesses: the number of businesses grew by 50% between 2012 and 2019, and the number of workers increased by 2% between 2016 and 2019, following a decline after 2011.
  - In the Les Sources RCM, however, despite the positive progression of several economic indicators in the last years of the Initiative, the industrial structure and the pool of businesses remain tenuous: the number of businesses grew by 37% between 2012 and 2019, and the number of workers increased by 1% between 2016 and 2019.
- As concerns its parameters, the Initiative adequately met the needs. The eligibility of NPO and public infrastructure projects was a key factor in the Initiative's success.
- The budget allocated to the two targeted RCMs allowed CED to increase its investment in these two regions to support economic diversification.
- It would have been to CED's advantage to better communicate its decisions regarding the suspension of its regular programs during the implementation of the Initiative, and the breakdown of funding between the two regions.

**Effectiveness – results: To what extent were the expected results achieved? How sustainable will the results be? What are the impacts on the community?**

- Of the 65 projects funded under this initiative, 54 received funding under *Component 1 – Businesses and NPOs* (64% of total spending), and 11 projects obtained funding under *Component 2 – Infrastructure* (36% of total spending).
- According to the available data, the main outcome was job retention and creation, either through support for businesses or funding for anchor projects that helped attract and retain businesses. The energy generated within the communities by the various anchor projects, and the pride felt by communities that are revitalized, are also key impacts.
- Given the lack of targets for the overall period of the Initiative, it is impossible to determine the extent to which the expected results were achieved over the entire period.
- The results generated are considered to be long-term, notably because the conditions associated with the anchor projects that received funding are conducive to economic diversification and development, and also because of the \$5 million non-repayable contribution to Capital Expansion région Thetford (CERT) in the Les Appalaches RCM.
- Opinions were divided as concerned satisfaction with the implementation of the Initiative. Stakeholders in the Les Appalaches RCM expressed a high level of satisfaction; however, some stakeholders in the Les Sources RCM were dissatisfied, notably because of the proportion of CED funding allocated to their community. The frustration of stakeholders in the Les Sources RCM was compounded by a lack of knowledge of the mechanisms available to address the various issues that they encountered.

**Effectiveness – GBA+: What impact has the implementation of the Initiative had on GBA+ target groups? Did the Initiative pose any accessibility barriers for individuals in the various target groups?**

- The Initiative was not subject to a gender-based analysis plus (GBA+), nor were any specific performance indicators identified for target groups, given that GBA+ only became a government-wide priority during the course of the Initiative.
- CED did, however, comply with government requirements by conducting a detailed analysis as part of the authorizations required for the gas pipeline project in the Les Appalaches RCM.

**Good practice**

- CED's use of a variety of intervention levers, such as funding for infrastructure and local investment funds, was a good practice. Infrastructure funding led to the establishment of conditions that had a significant impact on the attraction and retention of businesses, and the local investment fund ensured the sustainability of the intervention and fostered a development approach focused on local priorities. This good practice is worth keeping in mind for other economic diversification interventions, subject to the availability of funds and compliance with federal government requirements.

## Introduction

For decades, the chrysotile asbestos industry was the main source of employment for the communities of Thetford Mines in the Les Appalaches RCM and Val-des-Sources (formerly the town of Asbestos) in the Les Sources RCM.

By the 1980s the health risks of asbestos fibre exposure were more widely recognized by experts, leading to a decline in the marketing of asbestos.<sup>1</sup> Many countries eventually banned its use because of these risks,<sup>2</sup> and the industry continued to decline in Quebec up until the announcement of the closure of the last asbestos mines in the province, i.e., in Thetford Mines in 2011 and Val-des-Sources in 2012.

After declaring in 2012 that it would no longer oppose the inclusion of chrysotile in Annex 3 of the *Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade*, the Government of Canada proposed in its Economic Action Plan in 2014 that \$50 million be awarded to CED for the implementation of the *Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile* (hereinafter the “Initiative” or the “CEDICRC”), to support the economic diversification of the two RCMs.

This report is the summative evaluation of the CEDICRC. It has six sections:

1. Introduction
2. Description of the Initiative
3. Evaluation strategy
4. Evaluation findings, by evaluation issue
5. Conclusion

There are no formal recommendations associated with this evaluation. It is suggested that CED take the findings of this evaluation and the good practices noted herein into account when carrying out future initiatives with similar objectives and contexts.

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<sup>1</sup> Radio-canada (2017) L'amiante au Québec, de la prospérité à la disgrâce. [L'amiante au Québec, de la prospérité à la disgrâce | Aujourd'hui l'histoire | ICI Radio-Canada Première](#)

<sup>2</sup> World Health Organization (2014) Chrysotile Asbestos. [chrysotile asbestos summary en.pdf \(who.int\)](#)

## Description of the Initiative

### Purpose

The decline of the chrysotile asbestos industry in the Les Appalaches and Les Sources RCMs has had a major impact on the economies of these two communities, especially in terms of lost jobs. CED had initially begun helping the two RCMs address these challenges through its regular programs<sup>3</sup> before finally implementing a dedicated initiative when, following the closure of the last asbestos mine in 2012, the various levels of government announced targeted support for the industry. The Government of Quebec set up a \$50M economic diversification fund in the Les Sources RCM, and the Government of Canada allocated \$50M to CED to support the Les Sources and Les Appalaches RCMs in their economic transition.

### Objective and term

The CEDICRC was in place from June 11, 2013, to March 31, 2020. It had a total budget of \$50M to support the economic diversification of the Les Sources and Les Appalaches RCMs after the shutdown of the chrysotile industry.

The Initiative fell under the *Strengthening Community Economies* pillar, one of the three pillars of the *Quebec Economic Development Program* (QEDP). It had two components:

- Component 1 (\$35M): Economic development projects (except public infrastructure projects) submitted by business and organizations; and
- Component 2 (\$15M): Infrastructure projects

### Intervention parameters

To be eligible, the projects had to take place in the Les Sources or Les Appalaches RCMs.

The authorized activities were those usually authorized under the *Business development* and *Regional economic development* pillars of the QEDP, although additional activities were authorized as part of an easing of the Initiative's restrictions:

- Construction of a convention centre

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<sup>3</sup> Table 4 on page 16 shows the average annual amount of authorized assistance prior to the implementation of the initiative (2002–2013).



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- Fit-up (construction), expansion, modernization or conversion of unused industrial buildings into industrial motels
- Acquisition of existing buildings
- Tailings reclamation
- Broadband

The applicable assistance and stacking rates were the same as for the QEDP. CED also allowed for some easing of the funding conditions:

- A longer payment holiday (three years rather than two)
- A longer repayment period (seven years rather than five)

### Snapshot of intervention

**Table 1 – Snapshot of CEDICRC intervention, June 11, 2013, to March 31, 2020**

	Total Funding	Number of Projects
Component 1 – Projects by businesses and organizations	\$32.4M	54
Component 2 – Public infrastructure projects	\$17.9M	11
<b>TOTAL</b>	<b>\$50.3M<sup>4</sup></b>	<b>65</b>

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<sup>4</sup> The final project approved by CED exceeded the remaining balance of the Initiative balance at the time of its approval; the additional \$300K was taken from CED's regular budgets.

## Evaluation strategy

### Mandate and scope

CED undertook to conduct a mid-term evaluation in 2016–2017, and to provide an update on the results in 2021–2022. The evaluation published in 2018, together with the current evaluation, complete CED’s commitment regarding the evaluation of the Initiative.

The evaluation covers the total amount of funding (\$50.3 million) allocated under the Initiative from June 11, 2013, to March 31, 2020.

This exercise also aims to identify lessons learned from the implementation of this targeted initiative that could be useful to CED in situations involving initiatives implemented in similar contexts, i.e., initiatives that are geographically defined, have large budgets and involve the economic diversification of devitalized communities.

The current evaluation focuses on the three following evaluation issues:

#### *Relevance*

1. To what extent did the Initiative meet the needs?

#### *Effectiveness*

2. To what extent has the Initiative achieved the expected results? How sustainable will the results be? What are the impacts on the community?
3. What impact has the implementation of the Initiative had on GBA+ target groups? Did the Initiative pose any accessibility barriers for individuals in the various target groups?

The issues addressed in this evaluation are intended to complement those addressed in the mid-term evaluation and have been prioritized in an effort to streamline evaluation resources. The issue of efficiency is being assessed as part of the current evaluation of the QEDP, which covers all the funding and initiatives delivered under that program.

### Methodology

The evaluation is based on a document review; an analysis of administrative, program and socio-economic data; internal and external interviews with proponents and community stakeholders; and a survey of recipients.

Over the course of the Initiative, gender-based analysis plus (GBA+) became a government-wide priority applicable to all stages of a program’s life cycle. According to the Standards for Evaluation under the *Policy on Results*, GBA+

considerations must now be taken into account in the planning of evaluations. Although, for this Initiative, the number of proponents from target groups was limited, the evaluation took GBA+ considerations into account by targeting certain proponents in the survey and the interviews.

**Table 2 – Data collection parameters**

Collection tool	Objective	Parameters
Recipient telephone survey	Seek feedback from recipients	14/32 respondents
External interviews	Seek feedback from external stakeholders and proponents	4 interviews in the Les Appalaches RCM 7 interviews in the Les Sources RCM
Internal interviews	Seek feedback from internal stakeholders	4 interviews
Internal document review	Complement the information obtained in the interviews	The documents in the two operational files for this initiative were consulted.
Socio-economic data analysis	Provide a socio-economic profile of the regions.	The data used comes from Statistics Canada, the Institut de la statistique du Québec, and internal economic analyses
Program data analysis	Provide a snapshot of intervention	Database of authorized projects with expenditures as at March 31, 2021 CED project database for the two RCMs
Administrative data analysis	Complement the data on outcomes for intermediary groups	The lists of intermediary group activities were consulted.
Literature review	Document the role of public infrastructure in economic development.	The main sources of scientific literature on this topic were consulted and analyzed.

## Methodological limitations

- Although the telephone survey included all of the Initiative's funding recipients (except for the proponents interviewed), the number of survey respondents was low because of the limited number of proponents and the low survey response rate. This could affect the reliability of the results, especially when there are divergences of opinion. The interviews helped mitigate this limitation.
- Some of the indicators used to measure the Initiative's performance can be considered more as outputs and therefore do not allow for an adequate assessment of the results generated by the funds invested. The qualitative data collection method (survey, interviews and document review) was used to mitigate this limitation.

- Since there was no economic diversification indicator identified when the Initiative was created to measure the response to diversification needs, the evaluation relies on economic indicators on employment and population, as well as on CED's Economic Development Index (EDI).<sup>5</sup> This indicator has not been updated since 2016; however, the collection of qualitative data from CED advisors and external stakeholders, together with a review of internal economic analyses, has helped mitigate this limitation.
- For the period prior to 2018, the availability and reliability of project data on target groups in CED's data systems is limited since this type of data was not systematically collected at that time. Over the past few years, CED has made a number of improvements to the quality of project data relating to target groups, notably by including a self-declaration form for recipients in 2018–2019 and adding definitions for the various target groups on the form in 2020–2021.
- The opinions and feedback stemming from this data collection process were obtained during the summer of 2021 and so may reflect the economic context and the respondents' COVID-related experiences. The data collected served specifically to document the impact of the pandemic on the proponents, so as to isolate, insofar as possible, this effect on needs.

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<sup>5</sup> The EDI allows for a comparison of the economic growth potential of Quebec's 104 RCMs and is used by CED to adjust its support for RCMs with lower growth potential.

## Evaluation findings

The aim of the summative evaluation of the CEDICRC is to review the Initiative in its entirety. The evaluation looks at the extent to which the Initiative met the communities' economic diversification needs, and its effectiveness in terms of achieving the expected results. The findings are based primarily on internal and external interviews with stakeholders in both regions; a survey of recipients; and an internal review and external economic data.

### 1 Findings pertaining to relevance

#### 1.1 Initiative's response to the needs of the regions

The purpose of this section is to determine whether the Initiative met the targeted needs in the two RCMs, and to identify the RCMs' new needs.

##### **Needs originally targeted**

For several decades, the chrysotile industry was the main source of employment in the Les Sources and Les Appalaches RCMs. The industry started to decline in the 1980s in both RCMs, and the last mine closed for good in 2012. When the Initiative was implemented in 2013, the Les Sources and Les Appalaches RCMs were both facing a number of economic challenges, including a drop in the number of workers and lower aggregate income growth than in the rest of Quebec; however, the situation was not the same in the two RCMs.

According to the documentation and internal interviews, the Les Appalaches RCM was dealing with economic challenges, but was already gradually diversifying. Internal advisors noted that the support and the significant investments made in the decade leading up to the Initiative had already helped create an economic environment that was prepared to receive major funding such as that provided through the CDECTIC.

In the case of the Les Sources RCM, however, internal interviews and documentation point to a community that was facing numerous challenges and which, in 2013, had not succeeded in diversifying its activities. Various local stakeholders in the Les Sources RCM explained that, at the time the Initiative was launched, the community was in a position where it needed to build or rebuild its entire economic structure.

## Extent to which the Initiative met the originally targeted needs

### Findings

- As concerns its parameters, the Initiative adequately met the needs. The eligibility of NPO and public infrastructure projects were key factors in the Initiative's success.
- The budget allocated to the two targeted RCMs allowed CED to increase its investment in these two regions to support economic diversification.
- It would have been to CED's advantage to better communicate its decisions regarding the suspension of its regular programs during the implementation of the Initiative, and the breakdown of funding between the two regions.

### Intervention parameters

The parameters of the Initiative, in particular the eligibility of NPO and public infrastructure projects, were adequate in terms of meeting the various needs of the communities.

In the survey, 93% of respondents<sup>6</sup> said that the assistance had met their needs.

The interviews revealed that both the internal and external stakeholders agreed that the intervention parameters adequately supported the communities' economic diversification approaches. It was also noted that the eligibility of NPO and public infrastructure projects was a key success factor that allowed for the funding of anchor projects in the communities. Most stakeholders said that without CED's support, some municipalities would not have been able to make the necessary investments in public infrastructure to attract businesses and allow them to establish themselves in the communities in question.

*"All the same, we're well positioned because, with the Initiative (its terms and conditions and criteria), we've been able to go ahead full-speed with anchor projects. The success of the funding lies in the flexibility of its conditions."*

A few NPO respondents stated that they had obtained 80% of their project funding through the Initiative, and that the required 20% was often difficult for their type of organization to come up with. A funding level of 90% would have made it easier for them to carry out forward-looking projects in their regions.

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<sup>6</sup> A third of respondents were NPOs, and two thirds were SMEs.

### *Term*

Opinions were mixed as to the appropriateness of the Initiative's term. Some stakeholders pointed out that economic diversification is a process that takes time, specifically noting that some of the projects receiving funding under the Initiative are large-scale and need time to be developed and implemented. With this in mind, several stakeholders indicated that the term of the Initiative was not optimal because it had put pressure on the proponents of some major projects to rapidly implement their projects to ensure the full use of the funding. However, according to CED respondents, the entire funding envelope was spent before the end of the Initiative, which demonstrates the capacity of the communities to carry out the projects within the allotted time frame.

### *Funding*

CED provided a total of \$50.3M in funding through the CEDICRC; of this amount, 82% was spent in the Les Appalaches RCM and 18% in the Les Sources RCM.

**Table 3 – Breakdown of funding by RCM**

	Les Appalaches RCM		Les Sources RCM	
	Funding	Number of Projects	Funding	Number of Projects
Component 1 – Assistance for businesses and organizations	\$29.6M	50	\$2.9M	4
Component 2 – Public infrastructure	\$11.9M	7	\$6M	4
<b>Total</b>	<b>\$41.5M</b>	<b>57</b>	<b>\$8.9M</b>	<b>8</b>

As shown by the total average annual investments,<sup>7</sup> both prior to the Initiative and during its implementation,<sup>8</sup> the CEDICRC resulted in an increase in CED investments in both RCMs.

<sup>7</sup> Does not include the Community Futures Program (CFP).

<sup>8</sup> In 2010–2011 and 2018–2019, the Les Sources RCM obtained \$0 in authorized assistance, which reduces the total annual average.

**Table 4 – Average annual authorized assistance, prior to the Initiative and during its implementation<sup>9</sup>**

	Les Appalaches RCM	Les Sources RCM
Prior to the CEDICRC: 2002/2003–2012/2013 (11-year average)	\$3.2M	\$450K
During the CEDICRC: 2013/2014–2019/2020 (7-year average)	\$6.4M	\$1.5M

A number of internal respondents pointed out in the interview that, to support economic diversification, it was useful to have had access to a significant amount of dedicated funding to finance riskier projects.

The majority of the external stakeholders interviewed felt that the funding available through the Initiative was insufficient to meet their community's economic diversification needs, especially since they had not had access to other CED programs during the Initiative. CED respondents countered that many of the projects funded under the Initiative would not have obtained funding through regular programs because of different intervention priorities and competition among the projects submitted by the various regions served by the regional business office. Furthermore, from the standpoint of accountability and the of sound management of public funds, it ensured that the programs remained separate.

As concerns the breakdown of funding between the two RCMs, CED's objective is to maximize the effectiveness of public funds by intervening in complementarity with the Government of Quebec.<sup>10</sup> When interviewed, representatives of the Les Sources RCM said they found this decision to be unacceptable, and that it exacerbated the subsequent awarding of \$50M in provincial funding to the Les Appalaches RCM in 2018.

<sup>9</sup> The pre-CEDICRC average included all years for which data was available, to boost the average. The CEDICRC period is limited by the term of the Initiative.

<sup>10</sup> It should be remembered that, initially, the \$50 million economic diversification fund set up by the Government of Quebec only targeted the Les Sources RCM.



## Changing needs

### Findings

- In general, the economic indicators observed from 2016 to 2019 reflected positive economic development in line with the objectives of the Initiative.
  - The Les Appalaches RCM now has a diverse industrial structure and a renewed pool of businesses: the number of businesses grew by 50% between 2012 and 2019, and the number of workers increased by 2% between 2016 and 2019, following a decline after 2011.
  - In the Les Sources RCM, however, despite the positive progression of several economic indicators in the last years of the Initiative, the industrial structure and the pool of businesses remain tenuous: the number of businesses grew by 37% between 2012 and 2019, and the number of workers increased by 1 % between 2016 and 2019.

During the period from 2016 to 2019, the economic indicators for the two RCMs generally pointed to positive growth, albeit anemic at times; on the other hand, between 2011 and 2016 a general downward trend was observed. Given that the Initiative was intended to support diversification to offset the loss of jobs resulting from end of the chrysotile asbestos industry, the fact that the number of workers ceased to decline and actually started to rise between 2016 and 2019 is a sign of positive economic development in line with the objectives of the Initiative.

However, there are still negative gaps when compared with Quebec as a whole, specifically as concerns the number of workers, average employment income and median age. And, even though the unemployment rates in both RCMs are lower than in Quebec as a whole, the participation and employment rates are also lower, which, respectively, point to a smaller working population and a smaller proportion of this working population. From 2016 to 2019, however, improvements to the data were observed in the Les Sources RCM.

**Table 5 – Changes to socio-economic indicators by RCM**

	Les Appalaches RCM			Les Sources RCM			Quebec		
	2011	2016	2019	2011	2016	2019	2011	2016	2019
Number of workers	15,535	15,046	15,320	4,990	4,716	4,780	3,258,272	3,321,697	3,448,973
Average employment income	\$33,195	\$37,786	\$43,092	\$31,177	\$35,646	\$40,273	\$43,691	\$48,297	\$54,409
Participation rate	56.7%	56.4%	53%	55.9%	52.8%	59.8%	64.6%	64.1%	64.7%
Employment rate	53.5%	53.7%	51.1%	50.5%	49.5%	57.8%	59.9%	59.5%	61.3%
Unemployment rate	5.6%	4.7%	3.7%	9.8%	6.2%	4.4%	7.2%	7.2%	5.3%
Median age	49.4	51.7	52.3	48.5	50.9	51.3	41.4	42.4	42.5
Total population	43,351	42,404	42,596	14,810	14,281	14,291	8,005,090	8,225,950	8,501,703

According to the internal interviews, despite gaps in the economic indicators compared with those for Quebec as a whole, the Les Appalaches RCM now has a diversified industrial structure, a solid ecosystem and a very vibrant environment. The number of businesses in the RCM rose by over 50% between 2012 and 2019.<sup>11</sup> When the CED Economic Development Index (EDI) was last updated in 2016, the Les Appalaches RCM came in 20th place among the 104 RCMs, up 23 places from 2011, and was no longer among the RCMs that CED considers to be “devitalized.” Many stakeholders in the RCM noted the community’s vitality, as witnessed by private investment projects involving the construction of a tourism site; the real-estate boom; and the growing popularity of the Cégep in the region.

*“With the end of the mining industry, [people in the Les Appalaches RCM] began to diversify businesses shifted their focus and found new markets. This only strengthened the diversification movement.”*

— Internal CED respondent

In the case of the Les Sources RCM, internal respondents felt that diversification had been more difficult during the Initiative. Between 2012 and 2019, a 37%<sup>12</sup> increase in the number of businesses was reported in the RCM; however, CED’s internal economic analyses point to an industrial structure that remains devitalized and is made up primarily of small businesses. According to CED’s IDE, the RCM dropped from 78th to 89th place among the 104 RCMs between 2011 and 2016; according to the latest IDE update, it is now one of the 20 most devitalized RCMs in Quebec. Local stakeholders agree that the RCM has been unable to adequately diversify its economy to meet its needs; nevertheless, niches of economic diversification have been identified and businesses operating in various sectors have settled in the region in recent years and are helping the region move away from a single-industrial economy.

#### Good practice – Relevance

- The diversity of CED’s intervention levers, including an infrastructure funding component and a local investment fund, was a good practice in the context of an initiative targeting economic diversification. Infrastructure funding led to the establishment of conditions that had a significant impact on the attraction and retention of businesses, and the local investment fund ensured the sustainability of the intervention and fostered a development approach focused on local priorities. This good practice is worth keeping in mind for other economic diversification interventions, subject to the availability of funds and compliance with federal government requirements.

## 2 Findings pertaining to effectiveness

### 2.1 Achievement of the expected results

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<sup>11</sup> Statistics Canada, Business Register

<sup>12</sup> IDEM

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The purpose of this section is to determine the effectiveness of the Initiative from the viewpoint of the achievement of the expected results, other results generated by the Initiative, and satisfaction with the Initiative.

### Findings

- According to the data available, the main outcome was job retention and creation, either through support for businesses or funding for anchor projects that helped attract and retain businesses. The energy generated within the communities by the various anchor projects, and the pride felt by communities that are revitalized, are also key impacts.
- Given the lack of targets for the overall period of the Initiative, it is impossible to determine the extent to which the expected results were achieved over the entire period.
- The results generated are considered to be long-term, notably because the conditions associated with the anchor projects that received funding are conducive to economic diversification and development, and also because of the \$5 million non-repayable contribution to Capital Expansion région Thetford (CERT) in the Les Appalaches RCM.

In response to a recommendation in the mid-term evaluation, a results chain was established for the Initiative in 2018, along with indicators and their targets. However, the targets were for the years 2018–2020 only, meaning that it was impossible to determine the extent to which the expected results were achieved over the entire term of the Initiative. To offset this situation, the evaluation relied on the collection of qualitative data to get a clearer picture of the overall results generated and the impact of the Initiative in the community.

**Table 6 – Funding by component from June 11, 2013, to March 31, 2020**

	Total Funding	Percentage of Funding	Number of Projects
Component 1 – Businesses and organizations	\$32.4M	64%	54
Component 2 – Infrastructure	\$17.9M	36%	11
<b>Total</b>	<b>\$50.3M</b>	<b>100%</b>	<b>65</b>

Of the total funding provided by CED under this Initiative, almost 65% was used for the component targeting businesses and organizations, while approximately 36% went towards the Infrastructure component.

**Businesses and organizations component**

**Table 7 – Performance measurement outcomes for *Component 1 – Businesses and organizations*, June 11, 2013, to March 31, 2020**

Component 1 – Assistance for the city	Indicators	Results
Outputs	Funding amount	\$32.4M
	Number of projects that received funding	54
Immediate outcome	Number of supported businesses and organizations that completed projects	38
Intermediate outcomes	Percentage of assisted businesses that maintained or increased their annual sales	87%
	Percentage of businesses that maintained or created jobs	100%

According to the performance measurement data, the results achieved are positive: the majority of the businesses supported (13/15) maintained or increased their annual sales, and all of them maintained or created jobs. Although the number of projects submitted by the two types of clients (SMEs and NPOs) was more or less the same, the majority of *Component 1* funding went towards NPO projects.<sup>13</sup>

**Table 8 – Breakdown of funding under *Component 1* by type of client**

	Total Funding	Percentage of Total Funding	Number of Projects
SMEs	\$9.4M	30.5%	28
NPOs	\$23.1M	71%	26
<b>Total</b>	<b>\$32.4M<sup>14</sup></b>	<b>100%</b>	<b>54</b>

<sup>13</sup> Lack of performance indicators for the intermediate outcome.

<sup>14</sup> Since the results have been rounded off to the closest hundred thousand, the sum of the total funding by type of client may not equal the total funding under Component 1.

**Main activities of SME projects:**

- Acquisition of equipment, IT tools and technologies
- Acquisition of capital assets

**Main activities of NPO projects:**

- Development or construction of facilities
- Strategy development (intelligence, specifications, studies, diagnoses or action plans)
- Business incubation

Examples of assistance provided under this component include funding for the completion of the King mine (KB3) historical site facilities; the establishment of a materials innovation centre; and the acquisition of equipment for a technology transfer centre. Furthermore, it was through this component that CED was able to set up a \$5M local investment fund with Capital expansion région Thetford (CERT) in the Les Appalaches RCM.

The main results and impacts identified in the survey of recipients were as follows:

- Job creation or retention
- Enhanced production or productivity
- The acquisition of new clients/markets

In the case of NPO projects, the main results and impacts identified in the interviews were:

- The attraction/retention effect on businesses through the establishment of various services (incubation; leading-edge services in research or innovation centres; financing; facilities)
- The impact on the creation or retention of jobs over time
- The effect of the various projects aimed at boosting tourism in the two RCMs on the attraction of tourists

## Capital expansion région Thetford (CERT)

The \$5M in funding for the CERT local investment fund generated, according to data obtained by the organization in the summer of 2021, a total of \$6.2M in investments from the fund through its recapitalization via repayment projects, and \$53 million in total private investments in the RCM; it also had an impact in terms of the more than 800 jobs that were created or maintained.

The interviewees believed that this type of local fund effectively supports diversification efforts through a one-time or targeted initiative by:

- supporting the sustainability of the intervention;
- diversifying the funding package, particularly in the case of business startups;
- fostering a regional anchoring of the intervention, based on the priorities of the community; and
- promoting greater risk-taking and better project capitalization.

The documented results are consistent with the economic profile in the section on relevance, which shows an improvement in the economic situation in both RCMs in the later years of the Initiative's implementation.

Finally, the interviewees and survey respondents were on the same page when it came to the sustainability of the Initiative's results, supported in particular by the local investment fund in the Les Appalaches RCM. An investment fund was not proposed for the Les Sources RCM, something the various stakeholders in this RCM have criticized.

*"The greatest impact of this Initiative has been the chance to carry out anchor projects that affect economic development conditions."*

— Internal CED respondent

### Infrastructure component

**Table 9 – Performance measurement results for Component 2 – Infrastructure, June 11, 2013, to March 31, 2020**

Component 2 – Assistance for businesses	Indicators	Results
Outputs	N/A	-
Immediate outcomes	N/A	-
Intermediate outcomes	Number of economic infrastructure components built	9
	Number of tourism infrastructure components built	2
	Total investment generated in the communities	\$37.5M

The performance measurement indicators for this component do not provide an indication of the results generated because they basically measure outputs produced by the funding rather than the results generated by the projects that received funding. The interviews provided a qualitative basis for the documentation of the results and impacts of this component.

CED's investments under this component of the Initiative have helped fund public infrastructure projects that involve:

- Increasing wastewater treatment capacity
- Building or extending streets
- Constructing industrial buildings
- Redeveloping/expanding tourist facilities

The two natural gas service projects in the eligible RCMs, involving a total contribution of \$7.7M from CED, were also funded through this component.

The interviews revealed that, in a number of cases, these projects made up the foundation of the RCMs' economic diversification efforts by helping to keep businesses in the region or attract new ones, while also creating or maintaining numerous jobs, primarily in industrial parks. Investments in energy infrastructure were seen as being of particular importance in this regard. These views are consistent with an OECD report that confirms the importance of energy infrastructure for SMEs.<sup>15</sup> Some good examples were brought up in the interviews, such as attracting the Canard du Lac Brome plant to the Les Sources RCM and keeping the St-Méthode bakery facilities in the Les Appalaches RCM.

#### Level of satisfaction

##### Finding

- Opinions were divided regarding satisfaction with the implementation of the Initiative. Stakeholders in the Les Appalaches RCM expressed a high level of satisfaction; however, some stakeholders in the Les Sources RCM were dissatisfied, notably because of the proportion of CED funding allocated to their region. The frustration of stakeholders in the Les Sources RCM was compounded by a lack of knowledge of the mechanisms available to address the various issues that they encountered.

Satisfaction with the implementation of the Initiative was high among interviewees from the Les Appalaches RCM; however, community stakeholders in the Les Sources RCM expressed some dissatisfaction. In this regard, internal stakeholders noted that the breakdown of funding had resulted in more projects being rejected in the later years of the Initiative's implementation, which could have contributed to the dissatisfaction with the Initiative.

Despite the fact that CED has an Office for Client Satisfaction, with contact information and a feedback form readily available online, stakeholders in the Les Sources RCM said they were unaware of CED's mechanisms that would allow them to express their frustration or raise issues encountered during the implementation of the Initiative, and that this only increased their level of dissatisfaction. The internal document review found that the identification of CED's feedback tool was improved when the CED website was revamped.

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<sup>15</sup> OECD. (2019). *OECD SME and Entrepreneurship Outlook 2019*. [OECD SME and Entrepreneurship Outlook 2019 | OECD iLibrary](#)

## 2.2 Gender-based analysis plus (GBA+)

### Findings

- The Initiative was not subject to a gender-based analysis plus (GBA+), nor were any specific performance indicators identified for target groups, given that GBA+ only became a government-wide priority during the course of the Initiative.
- CED did, however, comply with government requirements by conducting a detailed analysis as part of the authorizations required for the gas pipeline project in the Les Appalaches RCM.

The Auditor General of Canada's 2015 report on the implementation of GBA+ noted that significant gender inequalities still existed, despite the Government's commitment to eliminate them. In response to this report, the federal government renewed its commitment to GBA+ through its [Action Plan on Gender-based Analysis \(2016–2020\)](#).<sup>16</sup> To comply with the obligations stemming from this action plan, CED must take GBA+ considerations into account during the various phases of its programs, i.e., from their design and implementation to their evaluation. The Treasury Board of Canada Secretariat's Standard on Evaluation (2016) reinforces this obligation to take GBA+ issues into account when conducting evaluations.

In line with these new obligations, CED adopted a statement of intent on GBA+ in 2018 to support the implementation of GBA+ across the organization. However, the Initiative was not subject to a gender-based analysis plus, nor were any specific performance indicators identified for target groups.

In 2018, as part of the authorities required to obtain funding for a pipeline project in the Les Appalaches RCM, CED carried out a more detailed GBA+, which concluded that the impact of the project would be equitable for both genders.

The surveys and interviews did not reveal any impacts on the target groups or barriers to the Initiative for these groups; this finding is limited, however, by the fact that potential target group proponents were not surveyed.

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<sup>16</sup> Action Plan on Gender-based Analysis (2016–2020)  
<https://women-gender-equality.canada.ca/en/gender-based-analysis-plus/resources/action-plan-2016-2020.html>



## Conclusion

CED provided the Les Sources and Les Appalaches RCMs with funding to support their economic diversification and help them maintain and create jobs following the decline of the chrysotile asbestos industry in Quebec and the closure of the last chrysotile asbestos mines in the two regions. The CEDICRC was relevant because it supported economic diversification in the regions in question, and effective because it generated results linked to its objective.

Communicating the intervention parameters to the community players in a clearer and more consistent manner would have fostered an understanding of CED's position and better management of the community's expectations.

The Initiative's intervention parameters were focused and ensured support, not only for businesses and NPOs, but also for infrastructure projects. The diverse parameters facilitated complementarity in the CED intervention continuum and provided the necessary flexibility for the funding of anchor projects in both RCMs. In a context of significant job losses and declining municipal revenue, the eligibility of public infrastructure projects to support the development of industrial parks was one of the keys to the success of this Initiative.

CED's funding has contributed to achievement of the Initiative's economic diversification and job creation objectives. Activities such as the development of industrial parks supported through infrastructure or building projects; the setting-up or expansion of organizations such as incubators or research centres; the expansion or development of tourist attractions; and direct support for businesses, have all fostered the development and enhancement of new economic niches and helped maintain or create jobs in the communities over time.

The Initiative was not subject to a gender-based analysis plus (GBA+), nor were any specific performance indicators identified for target groups, given that GBA+ only became a government-wide priority during the course of the Initiative. The evaluation did not reveal any impacts on the target groups or barriers to the Initiative for these groups.

Overall, CED's intervention, both in terms of the design of the Initiative and in the projects that were funded, fostered the economic diversification of the two RCMs. CED's funding for anchor projects has helped put in place conditions that promote economic diversification and development and foster a longer-term effect in the communities.

## Appendix A – Residual targets from 2018 and CEDICRC performance measurement results

Component 1 – Businesses and organizations	Indicators	Residual targets	Results 2018–2021
Outputs	Number of projects that received funding	12	15
	Funding amount	\$9M	\$10,629,325
Immediate outcome	Number of supported businesses and organizations that completed projects (SME and organizations component)	12	14
Intermediate outcomes	Percentage of assisted businesses that maintained or increased their annual sales or self-generated revenue	70%	87%
	Percentage of businesses that maintained or created jobs	100%	100%

Component 2 – Infrastructure	Indicators	Target	Results 2018–2021
Outputs	Number of economic infrastructure projects supported	1	3
	Number of economic infrastructure projects supported	1	0
Immediate outcomes	N/A	-	-
Intermediate outcomes	Number of economic infrastructure components built	1	3
	Number of tourism infrastructure components built	1	0
	Total investment generated in the communities	\$23M	\$24M