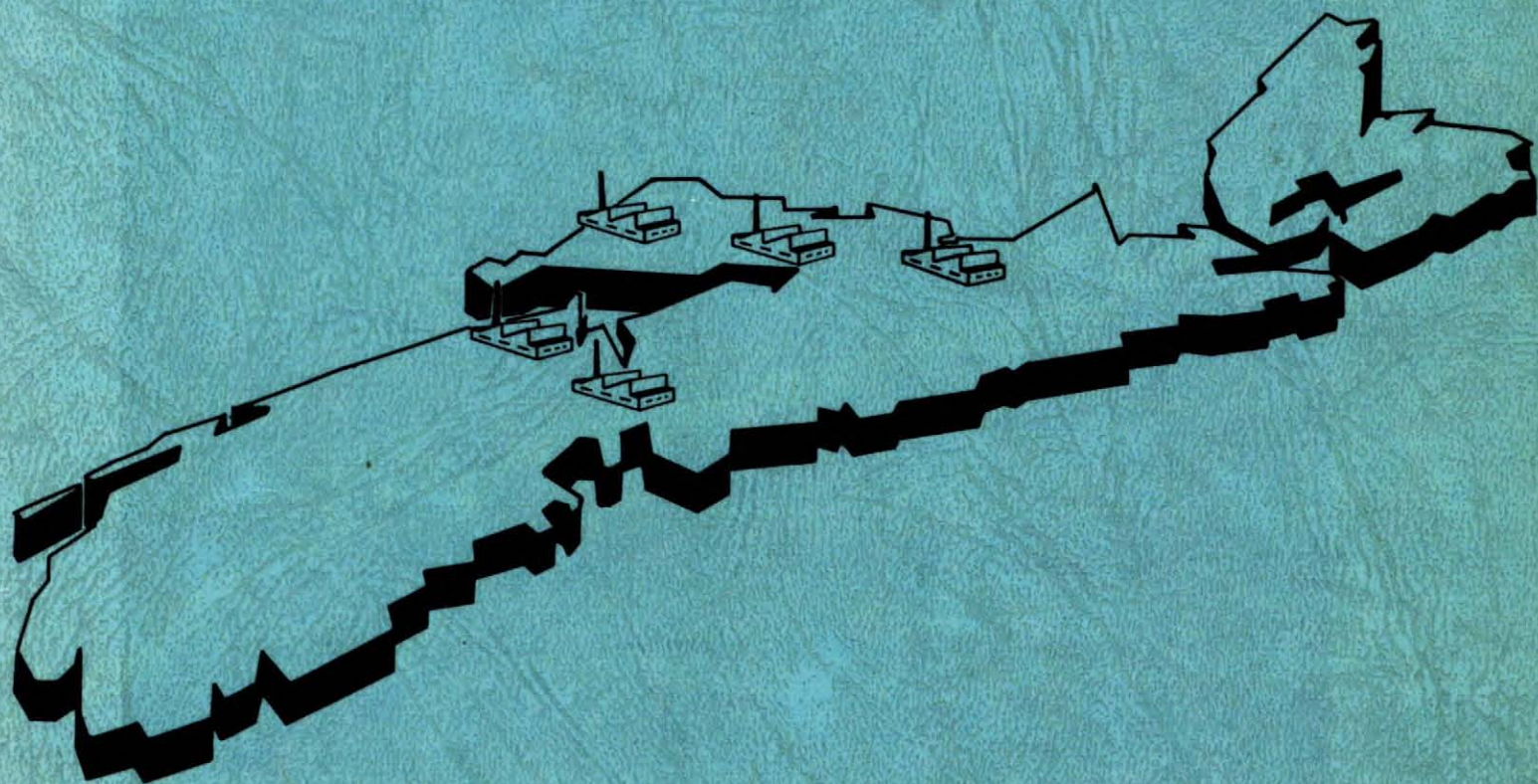


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Evaluation of Industrial Development Subsidiary Agreement

EXECUTIVE SUMMARY

Province Of Nova Scotia,
Department Of Development
And Canada, Department Of
Regional Economic Expansion , Nova Scotia



March 1981

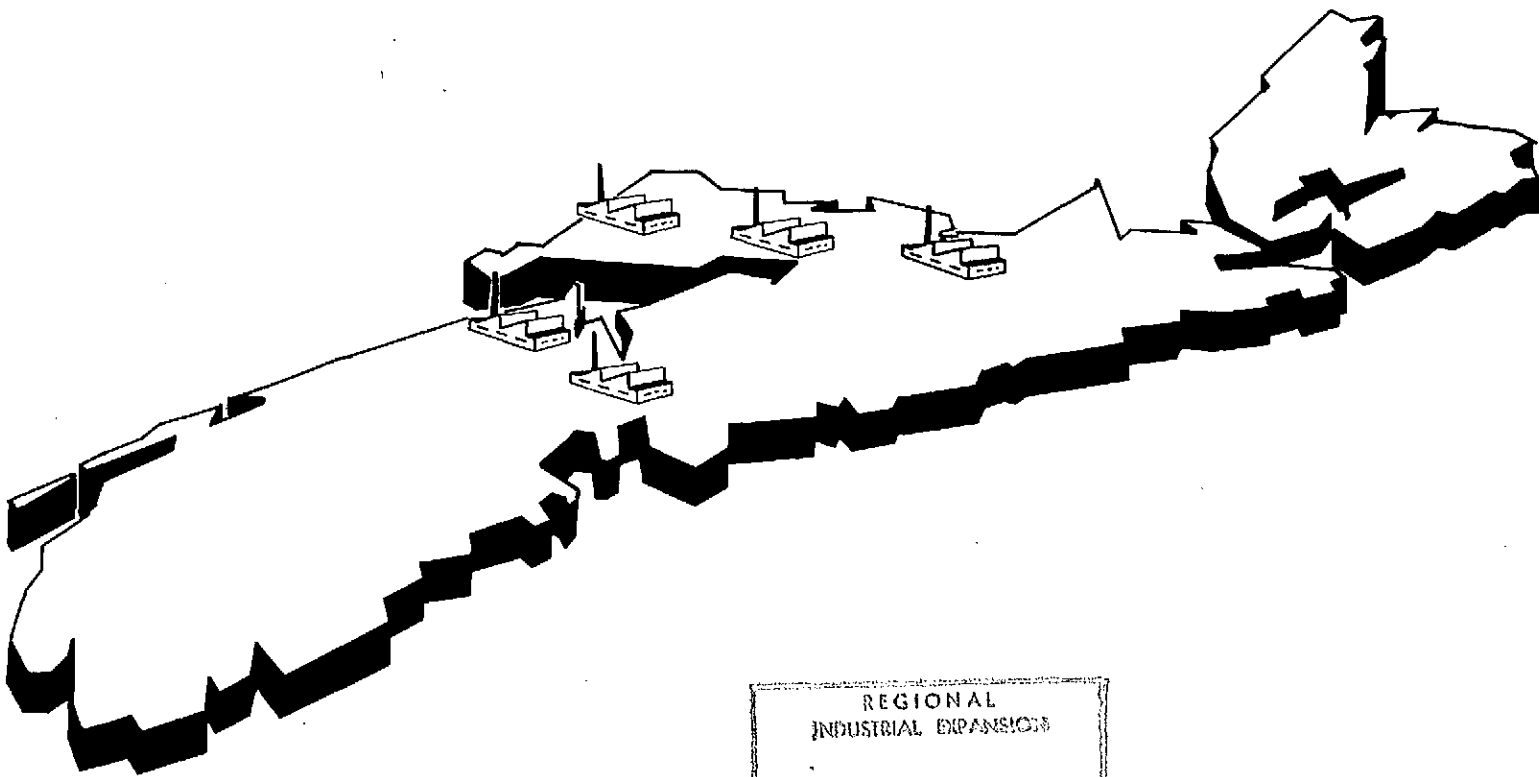
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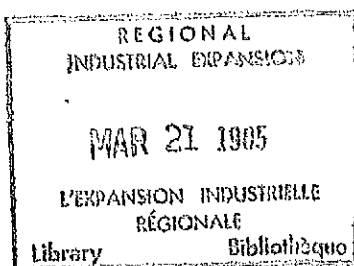
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EXECUTIVE SUMMARY

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APPENDICES

1. THE INDUSTRIAL DEVELOPMENT SUBSIDIARY AGREEMENT

1.1 DESCRIPTION OF THE AGREEMENT AND THE EVALUATION MANDATE

In June 1976 a five year Industrial Development Subsidiary Agreement was signed. It was composed of four programs and their associated projects. The programs are:

- Opportunity Identification, Analysis and Promotion
- Industrial Parks and Related Infrastructure
- Industrial Infrastructure
- Public Information and Evaluation

In November 1979 a fifth program, Sysco Capital Repair, was added with its own budget.

This evaluation was conducted during the final four months of the Agreement and covers the first three programs. The total budget for these programs was \$ 16,129,000.

1.2 AGREEMENT RESULTS AND EFFECTIVENESS

The following is an aggregation of the principal results and effectiveness of the Agreement as a whole. A more detailed summary of each program is presented in subsequent chapters.

Employment

- . A total of approximately 775 new full-time jobs may be associated to date with the Agreement(1).
- . In future, these totals should increase as more industry is attracted to the parks and incubator malls continue to support young firms.

Although the results indicate that the effectiveness of the Agreement

(1) These are not necessarily incremental.

in creating employment has not been high to date, it remains too early to evaluate its possible longer term impact.

Skill and Wage Levels

- . The Agreement did not selectively or systematically concentrate on higher skill and higher wage industries.

With respect to this goal, Agreement effectiveness has to be evaluated as low.

Sectoral Composition

- . The greatest success was achieved in attracting and supporting manufacturing opportunities.
- . The service sector was not strongly supported, although the Agreement was intended to do so.
- . The primary sector was supported, although the Agreement was not designed to do so.
- . Little systematic effort was placed on higher technology enterprises or on diversifying employment opportunities.

The effectiveness of the Agreement in encouraging the desired industrial sectors has therefore been inconsistent.

Indigenous Enterprises

- . Indigenous enterprises were supported to a greater extent than out-of-province firms. This was in keeping with the overall industrial development strategy, although this particular element was intended to be the responsibility of the Province and not specifically of the Agreement.

OVERALL, THE EFFECTIVENESS OF THE SUBSIDIARY AGREEMENT CAN BE RATED AS MARGINALLY ACCEPTABLE.

2. OPPORTUNITY IDENTIFICATION, ANALYSIS AND PROMOTION

2.1 PROGRAM DESCRIPTION

This program is the first element of the Subsidiary Agreement. It consists of two parts.

The objective of the first part was:

- (i) to identify potential opportunities in the secondary and tertiary sectors, through an analysis of broad industrial sectors leading to specific product ideas; products were to be concentrated in industries with high growth potential and providing higher skill and wage employment.
- (ii) to select the viable opportunities from amongst all product ideas through market and feasibility studies;
- (iii) to have the private sector implement the identified viable opportunities; this was to be accomplished through promotional efforts.

The objective of the second part of the program was to create a computer information bank to cross-reference local demand with local industry. The reference system was also to provide for the updating of the Directory of Manufacturing.

2.2 PROGRAM RESULTS AND EFFECTIVENESS

- △
0 . Potential opportunities were not identified through analytical procedures. Rather, product ideas were collected non-systematically and primarily from the private sector.
- Opportunities were not concentrated in high skill or wage categories.

- . Over 185 market and feasibility studies were undertaken, most of them in response to private sector requests. On the basis of these studies, 39 viable opportunities were identified.
- . The only opportunities requiring promotion were the small number of program-generated ones in the first year of operation. None of these were ever implemented.
- . Of the 39 viable opportunities identified, only 16 (40%) were implemented or are in the process of implementation, despite the fact that most were initially advanced by the private sector.
- . The expected computerized reference system was never developed.
- . Approximately two-thirds of the budget was used for activities or studies not originally intended and not falling within the general "product-orientation" defined for the program.
- . Actual employment creation has fallen considerably below the projected job creation rate. Only about 100 to 150 full-time jobs and 107 part-time jobs have been created or preserved as a result of the product studies. Another 54 to 91 jobs are in the early stages of implementation. In addition, 83 jobs have been created or preserved thus far by Venture Founders, the largest of the "non-product" activities undertaken under the program.

On the basis of the above results, PROGRAM EFFECTIVENESS HAS TO BE EVALUATED AS LOW.

However, the program represents a first attempt at developing "soft" programs and a groundwork has been laid for defining more effective ones in the future.

Moreover, several activities have emerged from the program which, while not properly part of the program, are in themselves interesting new approaches to industrial development.(1)

(1) These include Venture Founders, the Industrial Intelligence Program and the European Contact Program. The evaluation of these activities did not fall within the mandate of this study.

2.3 PROBLEM AREAS IDENTIFIED

- . Difficulties associated with an analytic opportunity identification process were underestimated in the original Agreement.
- . The links between each of the steps in the process were not sufficiently well defined and naive assumptions were made concerning the logic of the links (e.g., the apparent assumption that once identified, viable opportunities would almost automatically be taken up by the private sector).
- . The opportunity identification process as conceived involved a systems approach to industrial development. However, this approach did not respect the actual organizational structure of the government. Tasks crossed over departmental and agency lines and responsibilities were not always clearly defined.
- . The program activities became dispersed and diluted as internal wrangling and political pressures demanded 'quid pro quos' and the undertaking of studies which would not otherwise have been commissioned.

In general, the program was marked by deep divisions between DOD, DREE and, to a lesser extent, IEL over both program objectives and the means used to achieve them. Two major factors helped to impede the resolution of the problems:

- (i) DREE's insistence on "program intent", versus DOD's reliance on the Subsidiary Agreement and Program Briefs "as written".
- (ii) Attempts by the upper echelons of program management to force decisions to be taken at lower levels while not themselves addressing the fundamental issues surrounding implementation of the program.

Although consideration of the rationale of the program was not part of the consultant's mandate, evidence suggests that strongly analytical efforts not be incorporated into an industrial development agreement. The pressures of immediate job orientation will tend to downgrade the level of creative analysis and undermine the possible longer-term benefits of analysis. Moreover, in the short-term, many factors are involved in a firm's decision to relocate or expand. The simple identification of a viable opportunity is usually, in itself, insufficient to attract a firm.

3. INDUSTRIAL PARKS AND RELATED INFRASTRUCTURE

This program was composed of three projects:

- The Assistance for Industrial Parks Development Project
- The Incubator Mall Project
- The Assistance to Industrial Commissions Project

Each of these was designed to create or improve the availability and quality of industrial infrastructure in the province.

Total new employment to date associated with the program is approximately 260(1).

Overall, the effectiveness of the program has been uneven, with considerable variation between the constituent projects. Consequently, the following sections present a separate evaluation of each project.

3.1 ASSISTANCE FOR INDUSTRIAL PARKS DEVELOPMENT PROJECT

3.1.1 Project Description

This project was intended to facilitate and accommodate industrial expansion through the provision of serviced industrial land and other basic infrastructure. Five parks were to be built or upgraded.

These were: Amherst
Debert
Kentville
Windsor
Stellarton

A sixth park, Bridgewater, was subsequently added to the project.

(1) This is not necessarily incremental.

3.1.2 Project Results and Effectiveness

- . Expenditures remained within the budget.
- . All construction was completed within the term of the Agreement, although delays in drafting certain Project Briefs may have been responsible for postponing some job creation.
- . Infrastructure was constructed as forecast.
- . The total area serviced was as required.
- . The quality of service was considered satisfactory.

WITH RESPECT TO THE IMMEDIATE OBJECTIVE OF CONSTRUCTING INFRASTRUCTURE, PROJECT EFFECTIVENESS HAS THEREFORE BEEN HIGH.

The purpose of the infrastructure was to accommodate and encourage industrial growth. To date,

- . 23 new firms have been attracted to the parks,
- . half of these are in secondary manufacturing sector; two in the warehousing - distribution sector,
- . one third originate from out-of-province, but all these are in the Debert park.

Therefore, project effectiveness at this level has not been as high. However, the project's real degree of success will only become apparent in some years.

OVERALL, PROJECT EFFECTIVENESS MAY BE JUDGED AS ACCEPTABLY HIGH.

3.1.3 Problem Areas Identified

- . A wide variation in the performance of the various parks is evident. The Debert park contributes disproportionately to the overall program performance.
- . Success in reinforcing the growth corridor appears to be limited. Most firms were previously located in the immediate vicinity of the parks or elsewhere within the corridor.
- . Delays in the drafting of the two Project Briefs meant that construction of the Windsor and Stellarton parks was not completed until the fall of 1980.
- . The original forecasts of employment and industrial activity expected at the parks were unrealistic, and were poorly and inconsistently done.

3.2 INCUBATOR MALL PROJECT

3.2.1 Project Description

The project objective was the encouragement and accommodation of industrial growth through the provision of facilities to improve the viability and growth potential of small, young firms. Accordingly, two multi-user incubator malls were planned. These were to provide material services (e.g., photocopiers, meeting rooms, etc.) and advisory services (e.g., marketing, financial, etc.). The mall users were intended to move out of the malls within five years. Rents were to be subsidized on a declining basis. By the fifth year however, rents were to be set above the normal commercial rate.

3.2.2 Project Results and Effectiveness

- . Facilities were constructed and services provided as planned.
- . Expenditures were slightly lower than forecast.
- . Expected rental arrangements have been followed in detail.
- . The five year occupancy period is likely to be respected.
- . The occupancy rate after one and a half years is 70%.
- . Seven of the nine firms established are new and all are in the manufacturing, processing or service sectors.
- . The level of employment is reasonable (an average of 3-4 persons per firm).

An early evaluation therefore indicates that OVERALL PROJECT EFFECTIVENESS HAS BEEN HIGH although, as in the case of the industrial parks, it remains too early for a final judgement to be made.

3.2.3 User Assessment

Generally, user comments were very favourable.

- . The mall concept was strongly supported.
- . The importance of the rent subsidies in maintaining their viability was underlined.
- . The services used, while not vital to the firms' viability, were considered to be welcome conveniences.

- . The quality and accessibility of the services used were judged as being very good to excellent.

The only criticisms received concerned certain design flaws in the physical structures themselves.

Two other factors emerged as being significant.

- . Informal discussions with the mall administrator can be an important source of advice on management, markets, etc. Therefore, the quality and personal characteristics of the administrators must be given high priority.
- . The simple provision of space suitable for small firms was considered an important factor in areas where little space is available on the private market.

3.2.4 Evaluation of the Mall Concept

In brief, the concept underlying the construction of incubator malls is that:

the provision of a partially sheltered environment and selected services will permit new firms to become viable or grow more rapidly than would otherwise by the case.

- . It is too early to examine the long-term evolution of mall users as compared to similar firms not having passed through the malls.
- . Nonetheless, early indicators are that the malls are playing the role expected of them.
- . The cost of operating the malls is relatively low. In 1980/81 the total operating deficit, including depreciation, for the two malls

will only be \$56,000. This will decline in subsequent years as the rent subsidies are reduced.

However, two dangers remain:

- . Non-viable firms may be subsidized over long periods. This danger will tend to increase if there is an unregulated proliferation of malls.
- . Space may be provided at relatively high cost in areas where an adequate supply is already available (e.g., old warehouses, garages, etc.).

Overall, early indications are most supportive of the mall concept, but longer term monitoring is required.

3.3 ASSISTANCE TO INDUSTRIAL COMMISSIONS PROJECT

3.3.1 Project Description

The intent of this project was to encourage the development of attractive, well-run and effectively promoted parks through the subsidization of the operating budgets of eligible industrial commissions. It was hoped that, in part, the assistance would be used to upgrade the commissions' management and promotional abilities.

3.3.2 Project Results and Effectiveness

- . Only two parks were able to take full advantage of the subsidies.
- . Only 41% of allocated funds will have been used by March 1981.
- . Three persons undertook training courses as a result of the project.

- . The project has had only a minor impact on improving the managerial and promotional capabilities of the commissions.

OVERALL, PROJECT EFFECTIVENESS HAS BEEN LOW.

3.3.3 Problem Areas Identified

- . Delays in construction of two parks resulted in poor phasing of this project.
- . The simple subsidization of operating costs, in itself, provides little incentive to change or upgrade the type or quality of activity undertaken.

4. INDUSTRIAL INFRASTRUCTURE PROGRAM

4.1 PROGRAM DESCRIPTION

The intent of this program is to support selected industries and development outside industrial parks by providing any necessary infrastructure. It was intended as an ad hoc, rapid response program.

4.2 PROGRAM RESULTS AND EFFECTIVENESS

- . Projects supported under this program have already created 262 jobs; this is higher than anticipated in the Agreement.
- . The cost-effectiveness has been high, considering that only 20% of the budget was used.
- . The infrastructure constructed accelerated development of the industries concerned.
- . The projects carried out were in the primary sector of the economy (instead of the secondary or tertiary sectors).
- . Only 2 small projects were undertaken and few requests for aid were received.

OVERALL PROGRAM EFFECTIVENESS MAY BE CONSIDERED RELATIVELY HIGH. No specific problem areas were identified.

5. RECOMMENDATIONS

The recommendations concerning each program and project evaluated are presented in the following sections.

5.1 OPPORTUNITY IDENTIFICATION, ANALYSIS AND PROMOTION PROGRAM

It was suggested in section 2.4, that consideration be given to removing strongly analytical efforts from future industrial development agreements. Instead, appropriate research might be encouraged in various semi-private institutions. Alternatively, a project might be included within a planning agreement. However, investigation of the basic rationale of the programs was outside the mandate of this evaluation. For this reason, the following recommendations are made on the assumption that a program similar to one defined in the past Agreement were to be included in a future agreement.

Given:

- . that critical elements of the program were ill-defined;
- . that changes in both the methods and goals of the program were made gradually without explicit recognition that these changes were being made;
- . that, as designed, the program did not respect existing organizational structures and that responsibility for particular activities was not always clearly assigned;
- . that the experimental nature of the program was not properly recognized;
- . that serious conflicts regarding the program were never resolved and remained largely unaddressed by senior management;

It is recommended:

- (i) that promotional activity be more precisely defined and that it be separated into a distinct part of the program, equivalent in stature to each of the other three parts (opportunity identification; market and feasibility studies; computerized reference system);
- (ii) that, if changes be made in the methods designated for achieving the outputs, these be fully documented and justified in writing;
- (iii) that when new activities are proposed which have not been previously defined in the Project Brief (e.g., Venture Founders), a written justification be presented detailing their contribution to program goals and objectives; this would permit the effects of the new activities on the total program to be documented and anticipated;
- (iv) that discarding of approved activities (e.g., computerized reference system) be explained in writing;
- (v) that each part of the program be assigned to a specific responsible agency and the extent of their responsibilities be clearly defined (e.g., "agency X has a role to play" or "agency Y could be useful in this" is unacceptable);
- (vi) that, where doubt exists on the effectiveness of designated technical procedures or methods, an initial period for experimenting be defined, to be followed by a formal evaluation of the procedures' utility and appropriateness;
- (vii) that, once the procedure(s) have been finalized, regular progress reports be prepared listing activities undertaken; these reports should include an evaluation of the degree to which the activities are appropriate to achieving program goals and objectives; the evaluation criteria should include both qualitative and quantitative measures;

- (viii) that these progress reports serve as a basis for an annual evaluation;
- (ix) that all expenditures be classified according to predetermined activity categories appropriate to the indicators to be used in the evaluations.

5.2 INDUSTRIAL PARKS AND RELATED INFRASTRUCTURE PROGRAM

The recommendations presented here relate only to problems at a "program level"; that is, problems which transcend individual projects. Recommendations by project are presented in the subsequent sections.

Given:

- . that difficulties can arise in the phasing of inter-related projects;
- . that one sub-project was dropped⁽¹⁾ without any official notification to that effect;

It is recommended:

- (i) that close attention be given to specifying the relative phasing of projects within the overall time-frame of the program;
- (ii) that consideration be given, where appropriate, to including projects of various lengths and phasing within the longer time-frame of an Agreement;

(1) The Parks Association sub-project.

- (iii) that the discarding of any approved project or activity be explained in writing;
- (iv) that this explanation include a demonstration of why the new project is more appropriate to the program than the one being discarded.

5.2.1 Assistance to Industrial Park Development Project

Given:

- . that the final success of such a project is largely dependent on external economic factors;
- . that, consequently, realistic forecasts are important in the planning and monitoring of such a project;
- . that the employment and income forecasts as undertaken prior to the signing of this Agreement were poorly executed and employed inconsistent assumptions;

It is recommended:

- (i) that forecasts be based on serious studies which take into account the particularities of each park;
- (ii) that all forecasts be established according to the time-frame of the Agreement, taking into account the particular phasing of the activity being forecast (e.g., employment must begin from projected date of the end of construction, taking into account also the time required for Project Brief approval);
- (iii) that the variables forecast adhere strictly to the performance indicators to be used in later project evaluations;

- (iv) that forecasts be reviewed annually;
- (v) that the explanations and justifications for any modifications to the forecasts be detailed in writing.

5.2.2 Incubator Mall Project

Given:

- . that early results tend to confirm the validity of the mall concept;
- . that reasonable success has been achieved to date at relatively low cost;
- . that it remains too early to fully evaluate the concept or to determine the criteria for the success of the malls;
- . that certain potential pitfalls can be identified;

It is recommended:

- (i) that the existing malls be continued;
- (ii) that a limited number of new malls be built in selected and varied settings;
- (iii) that, other than under exceptional circumstances, firms be subjected to high penalties for remaining in the malls beyond five years;
- (iv) that a special program be established to carefully monitor over a longer term (5 to 8 years) the progress, results and effects of each of the malls established;

- (v) that, until the conditions for the success and failure of industrial incubator malls are better known, the number of malls NOT be permitted to multiply indiscriminately.

5.2.3 Assistance to Industrial Commissions Project

Given:

- . that a project to improve the quality of park promotion and management is considered an appropriate complement to infrastructure construction;
- . that the simple subsidization of operating costs does not include the incentives necessary to have the commissions change and upgrade the quality or type of activity they undertake;

It is recommended:

- (i) that project expenditures not be approved unless they are directed towards specific activities;
- (ii) that these activities must contribute to directly improving the quality of management or promotion of the parks (e.g., through the subsidization of professional promotional literature or programs);
- (iii) that the simple subsidization of on-going activities is not appropriate in the context of this Agreement.

5.3 INDUSTRIAL INFRASTRUCTURE PROGRAM

Given:

- . that the program may be considered a general success;
- . that such a program can provide important flexibility both in responding to the needs of industry and by providing a reserve of funds for possible use elsewhere in the Agreement;
- . that dangers of abuse exist in a discretionary program;

It is recommended:

- (i) that the program be strictly responsive in nature and that the initiation of opportunities be included under other, more appropriate programs;
- (ii) that strict and precise eligibility criteria be maintained;
- (iii) that transferring of funds out of the program for use elsewhere in the agreement be permitted, but that guidelines governing the timing of transfers be established;
- (iv) that the emphasis be maintained on rapid response to opportunities as they arise and, accordingly, that cumbersome bureaucratic procedures be avoided.

Appendices

The Appendices include the following tables for each project and program:

- . A Logical Framework which presents the project's or program's outputs, goals and objectives, as well as the performance indicators used in the evaluation.
- . Summary tables of both the expected and actual values of the variables analysed in the evaluation.

This information is included to provide the interested reader with some additional details concerning each program and project. For complete definitions of the meaning of each of the levels in the Logical Frameworks, the technical relationship between the projects and programs, and the use of the performance indicators, the reader is referred to the Introduction of the main report.

APPENDIX I

Opportunity Identification,
Analysis and Promotion Program

LOGICAL FRAMEWORK

OPPORTUNITY, IDENTIFICATION, ANALYSIS AND PROMOTION PROGRAM

Narrative Summary	Objectively Verifiable Indicators
<p>OBJECTIVES</p> <p>Development of new employment in secondary and tertiary sectors.</p> <p>Diversification of employment opportunities.</p>	<ul style="list-style-type: none"> . Number of opportunities implemented. . Number of jobs created. . Wage levels of these jobs. . Sectorial composition of these jobs.
<p>GOALS</p> <p>Identify viable investment opportunities at the product level in the manufacturing and service sectors.</p> <p>Aid DOD in finding local suppliers for new industry, in notifying industry of market opportunities and in updating Directory of Manufacturing.</p>	<ul style="list-style-type: none"> . Number of potential opportunities and viable opportunities identified. . Type and quality of opportunities investigated. <hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> . List of activities undertaken to aid DOD.
<p>OUTPUTS</p> <p>Product studies.</p> <p>Promotional activities.</p> <p>Technical studies.</p> <p>Computerized reference system.</p>	<ul style="list-style-type: none"> . Type of product studies done. . Number and size of product studies done. . Sectorial composition of product studies. . Quality of chosen opportunities. <hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> . Type and quality of promotional activities done. <hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> . Number and type of technical studies done. . Use made of these technical studies. <hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> . Quality of computerized reference systems developed.
<p>INPUTS</p> <p>Funds.</p> <p>Analytical Procedures.</p> <p>Human and organizational resources.</p>	<ul style="list-style-type: none"> . Total expenditures. . Distribution of expenditures among categories of activity. <hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> . Qualitative description of procedures used. <hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> . Degree of involvement of parties to program. . Degree of participation of private sector.

SUMMARY OF INPUTS

OPPORTUNITY IDENTIFICATION, ANALYSIS AND PROMOTION PROGRAM

INPUT CATEGORY	EXPECTED INPUTS	ACTUAL INPUTS
EXPENDITURES	<p><u>Budget to cover:</u></p> <p>Opportunity identification studies Market & feasibility studies</p> <p>Technical studies Promotion Computerized reference system</p> <p>- - -</p> <p>Market & feasibility studies to account for largest share of expenditures</p>	<p><u>Budget actually covered:</u></p> <p>-</p> <p>Market & feasibility studies</p> <p>Technical studies</p> <p>-</p> <p>Venture Founders Industrial Intelligence European Contact Project Miscellaneous background, policy & other studies</p> <p>Venture Founders was largest single expenditure (45% of total). Market & feasibility studies account for about 25% of expenditures</p>
ANALYTICAL PROCEDURES	<p>Opportunities to be identified through analytical approach</p>	<p>Analytical approach not used. List of opportunities developed non-systematically & primarily on basis of private sector requests for market or feasibility studies</p>
PARTIES TO PROGRAM	<p>DOD, IEL, in conjunction with DREE</p> <p>Where appropriate, IT & C to be involved in special promotion</p> <p>Such groups as FBDB & private venture capital companies may also be assisted in special promotional efforts</p> <p>Private sector participation in market & feasibility studies, wherever appropriate</p> <p>-</p> <p>-</p>	<p>Primarily DOD. Also IEL, DREE to more limited extent</p> <p>-</p> <p>-</p> <p>Strong private sector participation in identification of opportunities & market, feasibility studies.</p> <p>DREE & IEL primary proponents of Industrial Intelligence & European contact programs</p> <p>Other groups & political pressure responsible for individual miscellaneous studies.</p>

SUMMARY OF OUTPUTS

OPPORTUNITY IDENTIFICATION, ANALYSIS AND PROMOTION PROGRAM

OUTPUT CATEGORY	EXPECTED OUTPUT	ACTUAL OUTPUT
<p>PRODUCT STUDIES</p>	<p><u>Type of study</u></p> <p>Pre-feasibility studies to sort out most promising ideas Market & feasibility studies to determine projected returns on capital investments</p> <p><u>Number & size</u></p> <p>Agreement & Project Briefs: any combination of number & size of studies is possible. DREE: expectation was for smaller number of large studies. Plethora of small studies was excluded.</p> <p><u>Sectoral composition</u></p> <p>Majority in secondary manufacturing, but also service sector, especially warehousing-distribution</p> <p><u>"Quality" of opportunities</u></p> <p>Concentrate on higher growth industries providing skilled jobs & higher wages</p>	<p><u>Type of Study</u></p> <p>Pre-feasibility studies generally in-house Market & feasibility, both in-house and consultant</p> <p><u>Number & size</u></p> <p>Large number of generally small studies</p> <p><u>Sectoral composition</u></p> <p>Almost exclusively secondary manufacturing</p> <p><u>"Quality" of opportunities</u></p> <p>No selection on basis of stated criteria. Financial viability was determining factor</p>
<p>PROMOTION</p>	<p>"Straightforward" promotion sufficient for most opportunities. (Exact meaning was never defined).</p>	<p>In early stages, IEL identified target firms & then followed their own standard promotional procedures</p> <p>When IEL withdrew & program became client-responsible, most need for opportunity promotion eliminated. Replaced by promotion of program itself to private sector.</p>

CONT'D

	<p>Special efforts to be undertaken where benefits clearly outweigh costs. These may include: brochures, missions, special receptions or invitational visits for potential investors</p> <p>Normally expected that promotion would continue until one more firms convinced to pursue opportunity</p>	<p>No special efforts undertaken</p> <p>No firm was convinced to pursue an opportunity previously identified</p>
TECHNICAL STUDIES	<p><u>Type</u></p> <p>Would include factors relating to establishment of specific firms e.g. site selection, cost & availability of water supply, site servicing problems, etc.</p> <p><u>Frequency</u></p> <p>Where necessary to solve major technical problems in cases where investors have already expressed general interest</p>	<p><u>Type</u></p> <p>Site and equipment selection, labour supply</p> <p><u>Frequency</u></p> <p>6 undertaken; 3 of these are in implementation. Other opportunities dropped</p>
COMPUTERIZED REFERENCE SYSTEM OF NOVA SCOTIA FIRMS	<p>To include market, supply and transportation data; in first phase for manufacturing enterprises and in second phase for key service industries as well</p>	<p>System was never developed</p>
OTHER ACTIVITIES	<p>No other activities overtly anticipated or required, although "escape clause" in Project Briefs recognizes that there will be "changes" improvements, additions deletions as changing circumstance dictate"</p>	<p>Miscellaneous studies of general background, information and policy type.</p> <p>Venture Founders</p> <p>Industrial Intelligence</p> <p>European Contact program</p>

SUMMARY OF GOAL ACHIEVEMENT

OPPORTUNITY IDENTIFICATION, ANALYSIS AND PROMOTION PROGRAM

GOALS	EXPECTED RESULTS	ACTUAL RESULTS
<p>Identify viable investment opportunities in the manufacturing and service sectors</p>	<p><u>No. of opportunities identified</u></p> <p>Not specified</p> <p><u>Quality of opportunities</u></p> <p>Majority in manufacturing and minority in service sector</p> <p>Higher growth, skill and wage categories</p>	<p><u>No. of opportunities identified</u></p> <p>39 viable opportunities out of nearly 185 products examined</p> <p><u>Quality of opportunities</u></p> <p>Service sector virtually excluded</p> <p>No concentration on higher growth, skill and wage categories</p>
<p>Aid DOD finding local suppliers for new industry, in notifying industry of market opportunities and in updating Directory of Manufacturing</p>	<p>Use of a computerized reference system to improve performance</p>	<p>Computerized system never developed: consequently goal not achieved</p> <p>Directory of Manufacturing updated by DOD but without input from program</p>

APPENDIX II

Assistance for Industrial
Parks Development Project

LOGICAL FRAMEWORK

ASSISTANCE FOR INDUSTRIAL PARKS DEVELOPMENT PROJECT

Narrative Summary		Objectively Verifiable Indicators
OBJECTIVE		
	Encourage and accommodate industrial growth.	<ul style="list-style-type: none"> . Changes in number of inquiries to IEL or commissions. . Number of firms rejecting N.S. in past, for lack of facilities. . Number of jobs created.
GOAL		
	Reinforce actual growth patterns in secondary manufacturing and warehousing - distribution sectors.	<ul style="list-style-type: none"> . Number of new users. . Occupancy rates of the parks. . Type of new park users. . Previous location of firms.
OUTPUTS		
	Serviced sites at each park.	<ul style="list-style-type: none"> . Type of infrastructure constructed. . Total area serviced. . Quality of services provided.
	Ownership.	<ul style="list-style-type: none"> . Owners of parks.
	Prices and pricing system.	<ul style="list-style-type: none"> . Prices per acre. . Competitiveness of prices.
INPUTS		
	Funds.	<ul style="list-style-type: none"> . Expenditures by parks. . Total expenditures.
	Schedules.	<ul style="list-style-type: none"> . Date of Project Briefs. . Delays in implementation.

SUMMARY OF INPUTS

ASSISTANCE FOR INDUSTRIAL PARKS DEVELOPMENT PROJECT

INPUT CATEGORY	EXPECTED VALUE	ACTUAL VALUE
Expenditures	Total: \$9 551 000	Total: \$9 536 800 ⁽¹⁾ No single park departed from budget by more than 1.3%
Adherence to Schedules	Project Briefs to be written and approved as possible after signing of Agreement No delays in construction	One Brief delayed 9 months; Two Briefs delayed until June 1979 Construction schedules generally maintained, but some delays where third party involvement required.

1. Figure as available in November 1980. Includes some projection.

SUMMARY OF OUTPUTS

ASSISTANCE FOR INDUSTRIAL PARKS DEVELOPMENT PROJECT

OUTPUT CATEGORY	EXPECTED VALUES	ACTUAL VALUES
Infrastructure Constructed	As specified in Project Briefs	As specified in Project Briefs, with only a few minor modifications
Total Areas Serviced	As specified in Project Briefs	As specified in Project Briefs Total area now serviced in the 6 parks: 840 acres (+ 720 semi-serviced)
Quality of Services	"Good" to "high" quality. Provide services at standards available in urban areas, with particular attention to fire protection	As required, and work considered satisfactory Fire protection to Insurors Advisory Organization Standards
Pricing	Competitive market prices, but not to undercut other N.S. or Maritime parks.	Strategy adhered to Common range: \$8 000 to \$12 000 per acres

SUMMARY OF GOAL ACHIEVEMENT

ASSISTANCE FOR INDUSTRIAL PARKS DEVELOPMENT PROJECT

GOAL	EXPECTED VALUES	ACTUAL VALUES
<p>Reinforced actual growth patterns in secondary manufacturing and warehouse-distribution sectors</p>	<p><u>Occupancy Rate</u></p> <p><u>Number of New Users</u></p> <p>Not specified</p> <p><u>Occupancy rates</u></p> <p>Only data is for Amherst where 20 new acres predicted per year (source:1975 Dree study)</p> <p><u>Types of New User</u></p> <p>Concentration in manufacturing and warehousing-distribution sectors</p> <p><u>Previous Location of Firms</u></p> <p>Reinforce corridor</p>	<p><u>Occupancy Rate</u></p> <p><u>Number of New Users</u></p> <p>Total 25 Acceptable-Good: Debert, Bridgewater Marginal: Kentville Poor-Unacceptable: Stellarton, Windsor, Amherst</p> <p><u>Occupancy rates</u></p> <p>Total occupancy rates vary from zero to 52% as a function of age of park</p> <p>Total average occupied varies from zero to 56 acres (Debert)</p> <p><u>Types of New User</u></p> <p>50% of new users in mfctg, only 8% in warehousing-distribution</p> <p>Concentration in manufacturing is acceptable as a whole; however, most of results contributed by Debert only</p> <p><u>Previous Location of Firms</u></p> <p>16 from within corridor 8 from out-of province, all in Debert.</p>

SUMMARY OF ACHIEVEMENT OF OBJECTIVE

ASSISTANCE FOR INDUSTRIAL PARKS DEVELOPMENT PROJECT

OBJECTIVE	EXPECTED VALUE	ACTUAL VALUE
To accomodate and encourage industrial growth	Increased interest in locating and expanding industry in N.S. <u>Employment</u> Forecasts unrealistic and inconsistent between parks	Not verifiable <u>Employment</u> Total: approximately 400 full-time created or expected shortly Non-relocation employment approximately 260 Large majority of all employment contributed by Debert

APPENDIX III

Incubator Mall Project

LOGICAL FRAMEWORK

INCUBATOR MALL PROJECT

NARRATIVE SUMMARY		OBJECTIVELY VERIFIABLE INDICATORS
OBJECTIVE	Encourage and accommodate industrial growth	<ul style="list-style-type: none"> . Occupancy rates of the malls . Number of jobs created . Income level
GOALS		
	Permit certain small, potentially viable firms to attain financial viability and/or improve their efficiency and growth potential.	<ul style="list-style-type: none"> . Number and type of firms established in the malls . Evolution of tenants' financial viability, management ability and dependance on services . Plans of firms to move from the malls
OUTPUTS	Physical structures of the malls Provision of services Subsidies	<ul style="list-style-type: none"> . Number and size of units provided
		<ul style="list-style-type: none"> . Type of material support services . Type of specialized advisory services
		<ul style="list-style-type: none"> . Level of subsidies . Type of leasing arrangements
INPUTS	Funds Schedules	Expenditures
		Type and size of delays

SUMMARY OF PROJECT EFFECTIVENESS

INCUBATOR MALL PROJECT

OBJECTIVE	EXPECTED OUTCOME	ACTUAL OUTCOME
<p>Encourage and accomodate industrial growth</p>	<p><u>Occupancy Rate</u></p> <p>100 percent occupancy with allowance for turnover</p> <p><u>Employment</u></p> <p>Initial employment level similar to other small new firms but accelerating faster than firms operating outside the mall</p> <p><u>Income levels</u></p> <p>Above average wages</p>	<p><u>Occupancy Rate</u></p> <p>70 percent occupancy after 18 months and with little promotion</p> <p><u>Employment</u></p> <p>Current total of 30-35 employees is reasonable. Too early to determine growth rates</p> <p><u>Income levels</u></p> <p>Generally average wage levels</p>
<p>GOAL</p>	<p>EXPECTED OUTCOME</p>	<p>ACTUAL OUTCOME</p>
<p>Permit establishment of small new firms and allow them to attain financial viability and/or improve their efficiency and growth</p>	<p><u>Type of firm</u></p> <p>New small manufacturing and processing industries, and selected service industries.</p> <p>Emphasis on new business opportunities, industry geared toward import substitution and export orientated industry.</p> <p><u>Evolution of firms's viability</u></p> <p>Mall tenants to become financially viable and more quickly than firms outside malls.</p>	<p><u>Type of firm</u></p> <p>7 out 9 tenants are new enterprises. All firms either manufacturing processing or service industries.</p> <p>Tenants not in direct competition with existing local firms.</p> <p><u>Evolution of firms's viability</u></p> <p>Too early to determine.</p> <p>Early indications that management skills not developing more quickly among mall tenants than elsewhere.</p>

	<p><u>Relocation from mall</u></p> <p>Successful operations to move from the mall within 5 years.</p>	<p>Rent subsidies beneficial to tenants' financial viability.</p> <p><u>Relocation from mall</u></p> <p>Too early to determine.</p> <p>Tenants plan or intend to move from mall within 2 to 5 years.</p>
OUTPUTS	EXPECTED VALUES	ACTUAL VALUES
Physical structures	Two multi-user industrial "incubator" malls	Two multi-user industrial "incubator" malls
Services	Material services Advisory services	Material services Advisory services
Rental units at Subsidized rates	Subsidies provided but declining over 5 year period	Subsidies provided but declining over 5 year period
INPUTS	EXPECTED VALUES	ACTUAL VALUES
Funds & Schedules	<p>\$2 840 000</p> <p>Construction to be completed spring 1979</p>	<p>\$2 818 972</p> <p>Construction completed summer 1979</p>

APPENDIX IV

Assistance to Industrial
Commissions Project

LOGICAL FRAMEWORK

ASSISTANCE TO INDUSTRIAL COMMISSIONS PROJECT

NARRATIVE SUMMARY		OBJECTIVELY VERIFIABLE INDICATORS
OBJECTIVE		
	Encourage and accommodate industrial growth	. Increase in industrial activity
GOAL		
	Ensure proper management and promotion of industrial parks	. Type and quality of park management . Type and quality of promotion
OUTPUTS		
	Active industrial commissions. Upgrading of management and promotional abilities	. Number of active industrial commissions . Number of commissions using assistance . Type of activities undertaken with funds
INPUTS		
	Funds	. Expenditures

SUMMARY OF PROJECT EFFECTIVENESS

ASSISTANCE TO INDUSTRIAL COMMISSIONS PROJECT

OBJECTIVE	EXPECTED RESULTS	ACTUAL RESULTS
To encourage and accomodate industrial growth.	Industrial Commissions' efforts to result in increased industrial activity.	Very little increased industrial activity attributable to Industrial Commissions' efforts.
GOAL	EXPECTED RESULTS	ACTUAL RESULTS
To ensure proper management and promotion of industrial	Effective management and promotion of Parks.	Management of Parks satisfactory, while promotion is generally weak.
OUTPUTS	EXPECTED VALUES	ACTUAL VALUES
Active Industrial Commissions capable of discharging their responsibilities for administration and/or promotion of the industrial parks.	All parks to have active commissions and to receive 50% subsidies on approved administrative costs. Commissions to undertake activities to upgrade and improve their managerial and promotional capabilities	Commissions established at Amherst, Kentville, Stellarton, Windsor, (Debert run by IEL). Only Amherst and Kentville able to receive full benefits of project. Three commissions executive secretaries attended special training course, but generally project contributions to improving quality of commissions was limited.
INPUTS	EXPECTED VALUE	ACTUAL VALUE
Funds	Agreement: \$350 000 Project Brief: \$285 000	\$118 000(to March '81)

APPENDIX V

Industrial Parks and
Related Infrastructure
Program

LOGICAL FRAMEWORK

INDUSTRIAL PARKS AND RELATED INFRASTRUCTURE PROGRAM

NARRATIVE SUMMARY		OBJECTIVELY VERIFIABLE INDICATORS
OBJECTIVES	<p>The development of new employment opportunities in N.S. in the secondary and tertiary sectors of the economy.</p> <p>The development, expansion and increased efficiency of indigenous enterprise.</p> <p>The increased variety of employment opportunities available.</p>	<p>Number of jobs created</p> <p>Wage level of these jobs</p> <p>Sectorial composition of those jobs</p> <p>Previous location of firms</p>
GOAL	Objective of the projects	
OUTPUTS	Goals of the projects	
INPUTS	Outputs of the projects	

APPENDIX VI

Industrial Infrastructure Program

LOGICAL FRAMEWORK

INDUSTRIAL INFRASTRUCTURE PROGRAM

NARRATIVE SUMMARY		OBJECTIVELY VERIFIABLE INDICATORS
OBJECTIVES	Development of new employment opportunities in the secondary and tertiary sectors.	<ul style="list-style-type: none">. Number of jobs created. Sectorial composition of these jobs. Wage level of these jobs.
GOAL	Support certain specific industrial opportunities outside industrial parks	<ul style="list-style-type: none">. Location of opportunities supported. Importance of the support provided
OUTPUTS	Infrastructure for selected industries	<ul style="list-style-type: none">. Number of projects undertaken. Size of projects undertaken
INPUTS	Funds Selection criteria	Expenditures List of selection criteria applied

SUMMARY OF PROGRAM EFFECTIVENESS

INDUSTRIAL INFRASTRUCTURE PROGRAM

OBJECTIVE	EXPECTED OUTCOME	ACTUAL OUTCOME
Development of new employment opportunities in the secondary and tertiary sectors	Support of projects creating a minimum of 225 new jobs	Support of projects creating 262-264 new full-time jobs Employment was in primary sector
GOAL	EXPECTED OUTCOME	ACTUAL OUTCOME
Support certain specific industrial opportunities outside industrial parks	Support of projects which cannot locate within parks Support to permit implementation of the projects	Projects could not have located in parks Support accelerated rate of implementation of the projects
OUTPUTS	EXPECTED VALUES	ACTUAL VALUES
Infrastructure for selected industries	Small number of reasonably large projects (budget estimates: 3 projects at \$1 000 000 each)	2 projects at average of \$301 496 each
INPUTS	EXPECTED VALUES	ACTUAL VALUES
Funds	\$3 000 000	\$ 602 993
Selection criteria	6 criteria as specified in Program Brief	Projects selected on basis of declared criteria

APPENDIX VII

Industrial Development Subsidiary Agreement

LOGICAL FRAMEWORK

INDUSTRIAL DEVELOPMENT SUBSIDIARY AGREEMENT

NARRATIVE SUMMARY		OBJECTIVELY VERIFIABLE INDICATORS
OBJECTIVES	<p>Facilitate joint federal-provincial cooperation in initiatives for the economic and socio-economic development of N.S.</p>	Not Applicable
GOALS		
	<p>Support the development of new employment opportunities in Nova Scotia in the secondary and tertiary sectors of the economy;</p> <p>Encourage the development, expansion and efficiency of indigenous enterprises in Nova Scotia; and</p> <p>Increase the variety of employment opportunities available, with particular emphasis on higher skill and higher wage employment, and with particular emphasis on certain intermediate-sized communities in Nova Scotia.</p>	<ul style="list-style-type: none"> . Number of jobs created . Skill and wage level of these jobs . Sectoral composition of these jobs . Support for indigenous enterprises
OUTPUTS	GOALS OF PROGRAMS	
INPUTS	OUTPUTS OF PROGRAMS	

