

**EVALUATION OF THE
QUEBEC FISHING COMMUNITIES ADJUSTMENT MEASURES PROGRAM**

FINAL REPORT

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EXECUTIVE SUMMARY

Background

Scientific evaluations have confirmed the depletion of cod stocks in some parts of the Atlantic and the Gulf of St Lawrence, a depletion which continues despite the conservation efforts made so far. On April 24, 2003, based on these findings, the federal government announced a complete and long-term ban on fishing in these waters, together with the establishment of compensatory measures. The Agency thus had a very short time span, between the announcement of the moratorium and the start of the summer season, to establish the Quebec Fishing Communities Adjustment Measures (QFCAM). The QFCAM was provided with a total budget of \$14M and covered two fiscal years (2003-2004 and 2004-2005). As provided for in the April 2003 decision of the Cabinet Committee on the Economic Union, CED had to report quickly to this committee on the effectiveness of the QFCAM.

Process

The evaluation took place in three segments. First, data on implementation of the program were collected during visits to the two business offices responsible for the QFCAM, that is, the Gaspésie-Îles-de-la-Madeleine and Côte-Nord offices, between September 3 and December 12, 2003. At the same time, visits were made to 10 projects to meet their promoters. Second, a survey of target clientele, socio-economic stakeholders and project promoters who had hired workers eligible for QFCAM was carried out during the summer of 2004. Lastly, data on lessons learned was collected during visits to the two business offices responsible for QFCAM, between January 17 and February 10, 2005. The objective of the evaluation was to report to the Cabinet Committee on the Economic Union as to the effectiveness of QFCAM in terms of relevance, success, implementation and lessons learned from the program.

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Description of the QFCAM

The primary commitment under the QFCAM was to support projects that would allow for the creation of short-term jobs in communities affected by closure of the fishery. QFCAM's target clientele were fishing industry workers who had lost their jobs or become ineligible for employment insurance benefits. Contributions under the QFCAM were paid to non-profit organizations (NPOs), municipalities and commercial enterprises. The contributions were usually non-repayable and could cover up to 100% of approved project costs for NPOs and municipalities. Projects supported by the QFCAM were mainly short-term (about three months) and most of them were carried out during the summer, more specifically from June to October 2003 for the first wave and from May to October 2004 for the second wave.

Relevance of the QFCAM

The need that led to the creation of the program clearly still exists. The moratorium is still in effect and has an impact on the program's target clientele. The unemployment rate in the regions covered by the program is high. A survey revealed that barely 13% of fishers, fishers' helpers and plant workers feel that they would have qualified for employment insurance if they had not found jobs in 2003 under the QFCAM Program. The problem seems to be especially acute for plant workers, only 2% of whom believe they would have qualified.

Perception with regard to the relevance of program measures is, in general, very favourable, among both workers and promoters. The survey indicated that almost all fishing industry workers questioned (99%) agreed with the statement that the measures were relevant.

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**Relevance of the
QFCAM (cont'd)**

In general, it was also felt that the measures were well suited to the needs of workers and promoters and that the strategy used was appropriate. Survey results indicate that the vast majority of fishing industry workers (88%), particularly fishers' helpers and plant workers, felt that the QFCAM program was tailored to their needs. Promoters (94%) were of the opinion that the measures taken under the QFCAM constituted an appropriate strategy for short-term job creation.

**Success of the
QFCAM**

In accordance with its objective, the program helped to create short-term jobs. As at January 6, 2005, 651 jobs had been created or safeguarded in the Basse Côte-Nord and 1,129 in the Gaspésie-Îles-de-la-Madeleine, for a total of 1,780 jobs since the start of the program. An average of 890 jobs a year were thus created or safeguarded and enabled people to qualify for employment insurance. Sound communications strategies were implemented to reach target clientele, although some workers were contacted rather late in the 2003 season. In implementing such a program, CED should move more quickly to deploy the communications methods and tools required to reach target clientele, so as to get projects up and running without delay.

The results of the survey indicated a high degree of satisfaction with the program, with 88% of workers expressing satisfaction and 91% of promoters saying that the measures had helped to create short-term jobs.

The vast majority of respondents felt that the program had generated economic spinoff, and not simply because it had created jobs for individuals. The measures seem to have contributed to the development of new markets and the improvement of existing infrastructure. Advisors have reported on several types of economic spinoff which have yet to be specified.

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**Success of the
QFCAM (cont'd)**

Unforeseen effects have also been identified, including: harmful competition for the plants from the projects, owing to a higher hourly rate, a higher-than-anticipated requirement for insurable hours, a tendency for people to quit their jobs as soon as they have qualified for employment insurance and the creation of expectations. Another unforeseen effect, the one most often mentioned during the survey, was that this type of program could encourage people to become dependent on government programs. CED should consider regional characteristics related to employment problems more carefully in developing job creation programs, so as to maximize program success. These problems include the wage rates offered, the disparity among the needs of target clients based on the job held and workers' habits and attitudes to employment in the region.

**Implementation of
the QFCAM**

The budget earmarked for contributions was 95% allocated to projects. For the Côte-Nord region, \$5.6M was divided among 58 projects, creating 651 jobs, for an average cost per job of \$8,602. For the Gaspésie-Îles-de-la-Madeleine region, \$5.8M was divided among 86 projects, creating 1,129 jobs, for an average cost per job of \$5,137. This lower cost per job is attributable to the fact that more jobs were provided by private enterprise in the Gaspé (53% as compared to 20% in the Côte-Nord region) and these enterprises, unlike other types of promoter, helped to fund the jobs.

Financial and human resources were sufficient to attain objectives. However, advisors have made suggestions that could maximize program effectiveness. When implementing emergency programs in future, CED should use the experience gained with the QFCAM and consider using advisors' suggestions concerning breakdown of the workload and the training needs of new advisors, as stated in this report.

**Implementation of
the QFCAM
(cont'd)**

The contributions were used as and for the purposes specified in the QFCAM, with the exception of nine projects that did not create jobs, for which CED obtained ministerial approval.

The staff of CED's business offices have the abilities and skills required to implement the measures. The survey indicated that the general level of satisfaction among promoters with the services provided by CED personnel was very high (97%).

The program was implemented within the anticipated time frame and contributions were paid without delay. Directors and advisors think that preparation of the submission to Treasury Board, the establishment of the terms and conditions for granting contributions and the signing of an agreement with HRSDC could have been handled more quickly, since the projects began late in the first season of the QFCAM.

Overall, the staff responsible for the QFCAM is of the opinion that the eligibility criteria were well defined. The criteria were met, on the whole.

Program management is appropriate, according to the audits conducted in 2003 and 2005. However, improvements could be made, especially in terms of interdepartmental co-operation with HRSDC and DFO. For instance, during implementation of emergency programs that require the expertise of a number of departments, CED's senior management should, without delay, contact and involve the senior levels of other departments concerned, so as to obtain their full co-operation. This co-operation should include the swift signing of official agreements for information sharing among the departments in question, the designation of liaison officers and mechanisms for responding to any other needs that might arise during the course of the program. Co-operation should be envisaged from the highest to the lowest hierarchical levels of the departments.

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**Lessons learned
from the QFCAM**

The lessons learned by CED's directors, advisors and support staff involved in the QFCAM could be used to implement programs in response to emergency situations such as the QFCAM. Many of these lessons are already reflected in the foregoing recommendations. The following are those which have not yet been mentioned:

- from the standpoint of joint interdepartmental action, public announcement of a moratorium and the related compensatory measures should take place earlier;
- CED should take care to include mechanisms and/or resources that foster the emergence of more long-term economic diversification, concurrent with the short-term assistance, in any short-term assistance program targeting a region where economic growth is slow;
- in dealing with an emergency situation, such as that created by the announcement of the fishing moratorium, CED should consider the possibility of a joint program with another department.

**Clarification by
management**

In order to place the reader properly in context, the Agency would like to mention that it has no responsibility with regard to announcing a moratorium and that it is only informed, at best, a few days in advance.

1. BACKGROUND

Scientific evaluations have confirmed the depletion of cod stocks in some parts of the Atlantic and the Gulf of St Lawrence, a depletion which continues despite the conservation efforts made so far. On April 24, 2003, based on these findings, the federal government announced a complete and long-term ban on fishing in these areas, together with the establishment of compensatory measures.

Since the economic vitality of these sectors depends in large part on the cod fishery, persons affected by the ban lost their basic income. In addition, people in the region have a great deal of difficulty in adjusting to the situation, since employment alternatives are very limited, 70% of workers receive employment insurance benefits each year and, in the case of the Lower North Shore, communities are often lacking community and road infrastructure. To offset the closure of the cod fishery in these areas, it is essential that special assistance measures, such as the Quebec Fishing Communities Adjustment Measures (hereinafter “the QFCAM” or “the measures”) be put forward. It was in this type of emergency situation (between announcement of the moratorium and the start of the summer) that Canada Economic Development (hereinafter “the Agency” or “CED”) had to implement the QFCAM. The challenge was a matter not only of time, but also of logistics, since some regions are not accessible by road.

The QFCAM was provided with a total budget of \$14 million, which was added to the funding already approved for CED’s Regional Strategic Initiatives Program. Funding for the QFCAM covers two financial years (2003-2004 and 2004-2005) with a greater effort being made in the first year. A contribution budget in the order of \$7 million was provided for 2003-2004 and in the order of \$5 million for the subsequent year.

In addition, as specified in an April 2003 decision by the Cabinet Committee on the Economic Union, CED had to report quickly to the Committee on the effectiveness of the QFCAM. By the fall of 2003, the Agency began an initial series of evaluation activities, simultaneously with an internal audit, to collect some data from program promoters, certify the reliability of data collection systems and methods, evaluate the level of client satisfaction and profit from the experience gained during the first year of existence of the measures. A survey was then undertaken, in the summer of 2004, with target clientele, promoters and socio-economic stakeholders working in the regions covered by the program, so as to gain

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their perceptions of various aspects of the program and the services provided by CED. Lastly, a second series of evaluation activities took place in early 2005, so as to validate the information already collected and identify lessons to be drawn from the QFCAM experience.

This evaluation report includes all the elements collected during the two series of activities and the survey and provides a fairly comprehensive overview of the perceptions of the various players and target clientele of the QFCAM Program. The evaluation report deals with the design, implementation and perception of the success of the measures, the level of client satisfaction with regard to the program, the results in terms of jobs and lessons learned. The findings are accompanied by recommendations that can be used to implement programs which, like the QFCAM, respond to emergency situations.

2. PROCESS

2.1 Methodology

The QFCAM covered two fiscal years (2003-2004 and 2004-2005). The evaluation was carried out in three separate phases over the two years of the program, as described below.

Phase I: collection of data on program implementation

First, visits were made to the two CED business offices responsible for the QFCAM, that is, the Gaspésie-Îles-de-la-Madeleine and Côte-Nord offices between September 3 and December 12, 2003. At the same time, 10 projects were visited. The choice of projects was entirely determined on the basis of promoter availability and accessibility.

Owing to time constraints, the evaluation framework containing the evaluation questions, performance indicators, data sources and data collection methods, as well as the evaluation time frame, were developed concurrently with the visits. The framework was used during interviews with the two directors of CED's business offices, the advisors responsible for QFCAM, that is, two advisors in Gaspé and three in Sept Îles, and a member of the Gaspé administrative support staff. In addition, we met with representatives of the promoting organizations visited.

A review of program documentation was also carried out in the fall of 2003. The submission to Treasury Board, results-based management and accountability framework, summary of projects approved, administrative terms and conditions of the program and description of the Regional Strategic Initiatives (RSI) Program were also reviewed. The information gathered during the first audit by Consulting and Audit Canada (CAC), dealing with 44 contribution agreements signed by CED under the program as at December 3, 2003, also provided the answers to some evaluation questions.

Phase II: survey

Secondly, a survey was conducted during the summer of 2004 with target clientele (fishers, fishers' helpers and fish processing plant workers) in the two regions affected who had participated in or were eligible for the program, with socio-economic stakeholders and project promoters who had hired workers eligible for the QFCAM. The sample used for this exercise was developed from lists supplied by CED.

An interview questionnaire for each of the three types of respondent was then developed by CED co-ordinators and reviewed by the interviewers. Before going ahead with the survey itself, five pre-test interviews were conducted on July 14, 2004. The interviews were then carried out between July 14 and August 6, 2004, by independent interviewers who had received specific instructions. All the interviews were conducted from a computerized telephone exchange in Montreal, under constant supervision. The response rate for the survey was 68%. To attain this response rate, every number in the sample was called back at least 10 times if there was no answer.

The results were compiled separately for each type of respondent and were broken down as follows: 92 respondents from target clientele, 35 promoters and 11 socio-economic stakeholders. The results for the first two groups have a relatively narrow margin of error and a high degree of uniformity and complied with statistical validity criteria. Owing to the limited size of the socio-economic stakeholder sample, these results can be used only for information purposes. Similarly, when comments from respondents are included in the report, they are intended only as information, given that they often reflect the perception of only one person.

Phase III: collection of data on lessons learned and validation of initial data

Between January 17 and February 10, 2005, visits were made to the two business offices responsible for the QFCAM, that is, the Gaspésie-Îles-de-la-Madeleine and Côte-Nord offices. The purpose of the visits was to validate the initial data gathered during the 2003 visits on the success and effectiveness of implementation of the program in light of an almost-completed second season, and to gather comments on lessons learned about the QFCAM. The evaluation framework was used for interviews with a director, the advisors responsible for the QFCAM and administrative support staff. For this last component, there were no project visits or meetings with representatives of the project promoters.

2.2 Objective of the evaluation

The objective of these three phases of the evaluation was to answer the following questions with regard to:

Program relevance

- Does the need for which the program was created still exist?
- Are the adjustment measures still relevant?
- Do the measures respond to the needs of fishing industry workers?
- Do the measures constitute an appropriate strategy for short-term job creation?
- Are the measures in line with the federal government's overall economic development strategy and CED's mandate?

Program success

- Is the program helping to create short-term jobs?
- Does the program reach target clientele?
- Is the target clientele satisfied with the QFCAM?
- Is the program generating economic spinoff for the regions?
- Has the program had unforeseen effects?

Effectiveness of program implementation

- How has the budget been used?
- Are the financial and human resources invested adequate to attain the objectives?
- Are the promoters using the contributions as and for the purposes specified?
- Is there enough co-operation between promoters and advisors?

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- Was the program implemented effectively, efficiently and within the time frame provided?
- Have all eligible promoters been made aware that the program exists?
- Were eligibility criteria clearly defined and have they been met?
- Do program management mechanisms allow for sound management?
- Has monitoring been carried out?

Lessons learned

- What lessons can the Agency learn from the QFCAM?
- What best practices can the Agency identify in terms of the QFCAM?

3. DESCRIPTION OF THE QUEBEC FISHING COMMUNITIES ADJUSTMENT MEASURES (QFCAM)

The primary commitment under the QFCAM was to support projects that would allow for the creation of short-term jobs in communities affected by closure of the fishery. QFCAM's target clientele were fishing industry workers who had lost their jobs or become ineligible for employment insurance benefits. Contributions under the QFCAM were paid to non-profit organizations (NPOs), municipalities and commercial enterprises. The contributions were usually non-repayable and could cover up to 100% of approved project costs for NPOs and municipalities. Projects supported by the QFCAM were mainly short-term (about three months) and most of them were carried out during the summer, more specifically from June to October 2003 for the first wave and from May to October 2004 for the second wave.

CED was given responsibility for implementing the measures and amending its RSI Program, broadening the definition of eligible projects to include projects to create short-term jobs for fishing industry workers who had lost their jobs or their entitlement to employment insurance benefits.

4. ANSWERS TO EVALUATION QUESTIONS

4.1 Program relevance

The evaluation of program relevance is intended to determine whether the needs that led to creation of the QFCAM still existed and whether the program fitted in correctly with government priorities.

Does the need underlying the program still exist?

In 2002, Emploi-Québec¹ estimated average annual employment growth at 1% to 1.5% in the Bas-St-Laurent, Côte-Nord and Nord-du-Québec regions, and under 1% in Gaspésie-Îles-de-la-Madeleine. The rate in the Quebec region with the strongest growth was 2.4%, while the average for Quebec as a whole was about 1.7%. If Emploi-Québec's forecasts are right, the employment situation will be difficult in the coming years for regions affected by the moratorium and will justify the existence of the program.

Emploi-Québec also indicated that the job prospects in the fisheries sector were limited for the Côte-Nord and Nord-du-Québec regions. Things looked no brighter for the Gaspésie-Îles-de-la-Madeleine region. Emploi-Québec described the situation as follows: [TRANSLATION] "*It is recognized that the snow crab catch follows a cycle and that this cycle will likely reach its peak in 2002 in the Magdalen Islands and the southern peninsula. However, fishing effort for under-exploited species and mariculture have not so far created enough jobs to offset the loss of jobs in other fisheries.*"²

The Basse Côte-Nord is the region hardest hit by the moratorium on cod and crab. One in four plants has closed and, which diversification activities have been ongoing since 2002, the plants needed support and the measures were thus welcome.

¹ Emploi-Québec "Perspective sectorielles du marché du travail au Québec, 2002-2006, Quebec City, 2002, 48 P. http://emploiquebec.net/publications/2_tendances/perspsect0206.pdf

² Emploi-Québec, " Le Marché du travail dans la région de la Côte-Nord et du Nord-du-Québec, Perspectives professionnelles 2002-2006 ", Quebec City, 2003 http://emploiquebec.net/publications/2_tendances/perspectives2006/Persp_Prof_Cote_Nord_Q_2002_2006.pdf

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The survey indicated that barely 13% of fishers, fishers' helpers and plant workers felt they would have been able to qualify for employment insurance if they had not gotten a job in 2003 under the QFCAM Program. The problem seemed most acute among fish processing plant workers, only 2% of whom felt they would have been able to qualify (only one respondent out of 44 had access to another job). In addition, workers eligible for the QFCAM who decided not to participate in the program made this decision either because they were already eligible for employment insurance (86%) or because another job was available (14%).

Are the measures still relevant?

The survey conducted as part of this evaluation indicated that almost all the fishing industry workers questioned (99%) agreed with the statement that the measures were still relevant. The response was the same no matter what the person's job or where they lived. Promoters of projects under the QFCAM felt the same, with an agreement rate of 100% in the Basse Côte-Nord and 88% in the Gaspésie-Îles-de-la-Madeleine region.

Socio-economic stakeholders were more critical, with five stakeholders out of 11 disagreeing with the statement. They cited a number of reasons, including that the program was not tailored to everyone's needs and that it could lead to unhealthy competition with private enterprise by providing better paying jobs.

Do the measures respond to the needs of fishery workers?

Survey results indicate that the vast majority of fishing industry workers (88%) feel that the QFCAM program is in line with their needs, and this is especially the case with fishers' helpers and plant workers. Those who feel that the QFCAM does not meet their needs mention mainly that the measures do not enable them to accumulate enough hours to qualify for employment insurance. This was particularly true of workers in the Basse Côte-Nord region, although the small size of the survey sample prevents us from generalizing these conclusions.

Do the measures constitute an appropriate strategy for short-term job creation?

Promoters and stakeholders were asked if they felt that the measures implemented under the QFCAM constituted an appropriate strategy for short-term job creation. The response was

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favourable from stakeholders (73%) and even more so from promoters (94%).

Only four respondents out of 46 cast doubt on the strategy, citing a variety of reasons, including the excessive time required to implement it and the fact that the program could create a certain dependence on government programs on the part of participants.

It may thus be concluded that the QFCAM was, in general, seen as highly relevant by both workers and promoters, and even among socio-economic stakeholders, although they were more critical in their assessment. Regional differences do not appear to be very significant in this regard and it would be fair to say that the perception was clearly favourable everywhere.

However, in the Gaspésie-Îles-de-la-Madeleine region, no fishers used the measures and no fish plants closed. This can be explained, in part, by the redistribution of 15% of crab quotas to cod fishers, which lessened the impact of the cod moratorium on the fishers. It was thus mainly the fish plants that used the measures to provide jobs for workers. For example, one of the seven plants in the region, the only one 100% dependent on cod, used the measures to begin mussel aquaculture. Business leaders implemented solutions that enabled them to maintain their level of activity. Many workers were thus able to work in crab and fish plants according to an expanded landing schedule, as a result of diversification and the lack of cod.

The Basse Côte-Nord region was hardest hit, owing to a complete moratorium on cod and crab. The Gaspé was moderately affected, given that it was less dependent on existing cod stocks and that 15% of crab quotas were distributed to cod fishers following the moratorium. Lastly, the Magdalen Islands were hardly affected at all. Advisors responsible for the QFCAM would have preferred the measures to be focussed more on regional, rather than interregional, situations.

Are the measures in line with the federal government's overall economic development strategy and CED's mandate?

The Departmental Performance Report for the period ending on March 31, 2004, states that the Agency's mandate is to "*promote the economic development of the regions of Quebec, paying special attention to those experiencing slow economic growth and inadequate employment, with a view to the enhancement of prosperity and employment in the long term.*" It is clear that the measures target two regions with slow economic growth where job

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prospects have been reduced by the fishing moratorium. The QFCAM is obviously a temporary solution, intended to create short-term jobs and respond to an emergency situation. However, it is not clear to what extent it fosters long-term economic development. Nevertheless, as we will see a bit further on, some initiatives have future prospects that go beyond the scheduled end of the program. In this sense, the QFCAM is in line with CED's mandate.

In addition, as stated in the Departmental Performance Report, CED contributes to national priorities, at least two of which are met by the QFCAM:

- to target its regional development activities to better meet the needs of the knowledge economy and address the distinct challenges of Canada's urban, rural and northern communities;
- to work with SMEs in the development and application of new technologies in traditional and emerging industries.

Nevertheless, as indicated in the submission to Treasury Board, "*CED's regional development programs were not designed to remedy the short-term consequences of major measures such as a moratorium*" and "*HRSDC's programs are now intended to respond to individual needs related to the labour market*". This statement leads us to believe that helping workers affected by these problems comes under the jurisdiction and responsibility of HRSDC. We will return to this issue later in the report.

Clarification by management

It is up to the government to decide what programs it wants to provide for the public and who will be responsible for managing them. Thus, in 2003, the federal government decided to help fishing industry workers and asked CED to establish the QFCAM.

It should be kept in mind that HRSDC lost its ability to implement adjustment measures when the Canada Jobs Fund (CJF) was abolished in 2001. Although the CJF no longer exists, its funding was transferred to CED for investment in the IDEA-SME and Regional Strategic Initiatives Programs and therefore, for purposes other than the creation of temporary employment.

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4.2 Program success

It is generally admitted that the real success of a program can only be measured once the program has been completed. Nevertheless, the data gathered to date from the answers to the evaluation questions below does provide valuable information.

Does the program help to create short-term jobs?

As at January 6, 2005, 58 projects had been approved in the Côte-Nord region and 651 jobs created or maintained. As at the same date, 86 projects had been approved in Gaspésie–Îles-de-la-Madeleine and 1,129 jobs created or maintained. The total for the two regions since the start of the program is thus 1,780 jobs created or maintained, an average of 890 each year³. The amounts of assistance granted total about \$11.5M. This means a contribution in the order of \$6,460 on average for each job created or maintained. The table below provides more details on the contributions allocated and the jobs maintained and created, by region.

Offices	Cumulative, since the start of the program					
	Budget	Projects received	Projects approved	Amount of assistance	Jobs maintained	Jobs created
Côte-Nord	\$5,927,886	98	58	\$5,605,599	184	467
Gaspésie–Îles-de-la-Madeleine	\$6,142,114	120	86	\$5,853,898	795	334
TOTAL	\$12,070,000	218	144	\$11,459,497	979	801

Using the annual average of 890 jobs created or maintained, it becomes possible to compare this result with the annual job loss forecasts as estimated by the Department of Fisheries and Oceans (DFO) and CED, presented in the next table. It indicates that the number of jobs

³ This figure does not take into account the fact that some workers were able to combine a plant job and a job outside the plant in the same season.

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actually created or maintained as at January 6, 2005 is about 107% of forecasts, according to CED estimates, and about 65% of forecasts, according to DFO estimates. DFO estimated that, for the Côte-Nord, 641 jobs would be affected by the moratorium, and that 737 would be affected in the Gaspésie–Îles-de-la-Madeleine region. CED's estimates were more conservative, that is, 294 for the Côte-Nord and 538 for the Gaspésie–Îles-de-la-Madeleine. Overall, CED's forecasts appear to have been well calculated, since the difference between estimated and actual figures was not large. The gap between the forecast and actual figures does not show any significant regional difference.

Region	Forecast annual job loss (DFO)	Forecast annual job loss (CED)	Jobs created or maintained through the QFCAM	Annual average number of jobs created or maintained
Côte-Nord	641	294	651	325
Gaspésie –Îles-de-la Madeleine	737	538	1 129	565
TOTAL	1,378	832	1,780	890

We can thus try to estimate the impact of the program in terms of job creation, using the results of the survey carried out in July and August 2004. The survey indicated a high level of satisfaction, with 88% of workers saying they were satisfied and the vast majority of promoters (91%) saying they agreed with the statement that the QFCAM Program had helped to create short-term jobs. However, 27% of socio-economic stakeholders and 3% of promoters felt that these jobs would have been created anyway, without the program measures. The perception is thus clearly positive with regard to the effectiveness of the program, despite the substantial difference between DFO and CED job loss estimates.

Does the program reach its target clientele?

In the Basse Côte-Nord, advisors feel that sending out a bilingual information bulletin via Canada Post to every household enabled them to reach all their target clients. The program audit indicates that methods of communicating with target clientele were appropriate under the circumstances. However, the mailing went out on July 23, 2003, which seems rather late

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in the season, given the type of need to which the program was intended to respond. It is thus possible that some workers would already have left the region by this time of year to find work elsewhere. Comparison of data for the two seasons confirms a slight increase of 12% (37/307 jobs) in the number of jobs in the Basse Côte-Nord in 2004. To be fair, that is, to provide all target clients with an equal opportunity to make use of the measures, the mailing should have been done earlier in 2003. However, the Côte-Nord business office used other methods to contact target clientele in 2004. CED staff met the Council of Mayors in December 2003 and was in constant contact with promoters during the winter of 2003-2004 to plan projects for the next season. These activities could also explain, in part, the increase noted. All in all, CED feels that the program reached the target clientele.

In Gaspé and the Magdalen Islands, the supply of short-term jobs by promoters has exceeded demand since 2003. At first glance, it might appear that some workers were not contacted, but the director and advisors of the Gaspé office believe that no worker could have been unaware of the existence of the program, since there was extensive media coverage. In fact, despite an increase in the number of projects approved in 2004, there was a slight decline in the number of jobs, as compared to the 2003 season. This tends to indicate that the target clientele was reached.

The table below summarizes all data related to the program, by year and region.

Region	Budget	Projects received	Projects approved	Amount of assistance	Jobs created or maintained
Côte-Nord	\$2,142,886	50	21	\$2,357,544	307
Gaspésie- Îles-de-la- Madeleine	\$1,669,155	68	32	\$1,926,955	581
2003 season	\$3,812,041	118	53	\$4,284,499	888

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Côte-Nord	\$3,785,000	48	37	\$3,248,055	344
Gaspésie– Îles-de-la- Madeleine	\$4,472,959	52	54	\$3,926,943	548
2004 season	\$8,257,959	100	91	\$7,174,998	892
TOTAL	\$12,070,000	218	144	\$11,459,497	1,780

Is the target clientele satisfied with the QFCAM?

The survey of target clientele during the summer of 2004 indicated a satisfaction rate among workers of 88% in the two regions. In fact, 45% of respondents said they were very satisfied and 43% were quite satisfied. This rate varied slightly, depending on the type of job held. The main reasons provided by dissatisfied workers were that the measures were not tailored to their needs or that the eligibility criteria for the program were too high. Some workers would have liked to be consulted and would have wanted broader program eligibility criteria. Other respondents (14%) said that workers should have been paid more or that employment periods should have been longer. However, the comment heard most often from workers, especially those in the Gaspé, was that the QFCAM is a good program as it currently exists, and many of them expressed the hope that it would continue.

However, the information gathered during the audit in the fall of 2003 also provides answers as to the satisfaction of target clientele. Some promoters mentioned that fishers who owned boats said the program did not meet their needs, because a salary of \$350 a week was not enough to meet their commitments, such as maintenance and repayment of the mortgage on their boat. This comment was also made by a program advisor.

Processing plant workers who received jobs outside the plant found this to their liking, since they felt that their working conditions were better: fewer hours of work, higher hourly rate and enough weeks of work to qualify for employment insurance.

Does the program generate economic spinoff for the regions?

It is still too early to determine the actual value of economic spinoff from the measures for the affected regions. Survey results do, however, enable us to learn how promoters and socio-economic stakeholders feel about this issue. Promoters appear convinced that positive

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economic spinoff was generated by the program, since 94% of them answered this question in the affirmative. Stakeholders were more cautious, with 73% of them answering in the affirmative. Reservations expressed included the fact that workers in the Magdalen Islands were not eligible and that the program did not apply to the Middle North Shore.

During the survey, both stakeholders and promoters identified substantial economic spinoff. Many stakeholders mentioned that the measures resulted in spinoff mainly for workers, and to a lesser extent for the regions (25%). They also helped families to survive and kept them from leaving the region (25%). The following factors were also mentioned once: the measures generate spinoff for NPOs, promote tourism and help the manufacturing sector somewhat, they keep workers from going on social assistance and they can allow a change of careers.

Promoters, who, themselves, benefit from spinoff to a certain extent, identified the following types of spinoff: over half (55%) said that, first and foremost, the program enabled them to provide people with work, the measures fostered local commerce (24%), allowed for economic diversification (18%), prevented the exodus of labour (15%), resulted in spinoff in terms of tourism (15%) and enabled workers to qualify for employment insurance (15%). Other types of spinoff identified included: the measures foster the emergence of new projects, create spinoff in the mining sector, encourage some people to go back to school, help NPOs, foster the diversification of skills and create new, permanent infrastructure. Another factor mentioned was that there would be more significant spinoff if, instead of the existing measures, we provided training or helped create permanent jobs in the private sector.

Our interviews indicated that CED advisors felt that the measures had an impact on the development of new markets for the plants, for example in China, Japan and England, and that the improvement of tourism facilities would increase tourist numbers. They also indicated that production capacity had increased in two plants which had set up a new herring smoker in the Gaspé. The development of aquaculture resulted in investment at the provincial level. In the Basse Côte-Nord, the region hardest hit, where there is more to be done, the advisors felt that a number of initiatives had allowed for the development of niches related to tourism. The QFCAM had improved the productivity of emerging species and enabled a private enterprise to develop and grow. In general, advisors indicated that workers displayed greater enthusiasm and a more positive attitude in 2004 than in 2003.

Did the program have any unforeseen effects?

Interviews with advisors and promoters during the 2003 audit provided information on unforeseen effects. The following situations were mentioned:

- in the Gaspé, implementation of the QFCAM resulted in an increase in demand for assistance from other programs. In other words, the QFCAM created expectations and CED became better known as a potential source of funding;
- also in the Gaspé, the QFCAM contributed to the development of aquaculture and high-end products. These industries generate fewer, but more sustainable, jobs;
- in the Basse Côte-Nord region, a plant was unable to hire as many people as it wished, since potential workers waited for the start of the program's out-of-plant projects rather than answering the plant's call in 2003. In 2004, CED remedied the situation by delaying the start of out-of-plant projects until jobs at the plant had been filled. All the same, the plant continued to have trouble recruiting staff in 2004;
- workers need over 490 hours of insurable employment to qualify for employment insurance. The financial provisions of the QFCAM, as well as project duration, were established on the basis of this hypothesis.

To understand clearly why a given worker needs more than 490 hours of insurable employment to qualify for employment insurance, we need to refer to the Employment Insurance rules, which take into account periods of work and non-work for a given period of time. In addition, the imposition of penalties and other fines can also have an impact on the number of hours required. Only HRDC has the relevant information. This information would facilitate the day-to-day management of projects, but CED is unable to access it;

- a large proportion of workers in the two affected regions receive employment insurance every year. There is a strong tendency to leave a seasonal job as soon as enough hours have been accumulated to qualify for employment insurance. Employers can therefore have additional difficulty in keeping workers more than 14 weeks. This tendency has also created logistical support problems for the Agency in its support for

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- the plants. The advisors met were of the opinion that this factor had not been taken into account in developing the program;
- the promoters met in the fall of 2003 said that the measures favoured some sectors at the expense of others and created unrealistic expectations by offering hourly rates higher than those available in the plants;
 - some advisors also mentioned the creation of expectations and a dependence on government programs paying \$10 an hour;
 - in the Basse Côte-Nord, the QFCAM brought fishers' associations and DFO closer together to work on projects; and, lastly, it was also reported that
 - the assistance obtained under the measures could delay or postpone an examination by the industry of its options for the future, given the depletion of marine resources.

In addition to the situations described above, other unforeseen effects were mentioned in the survey carried out in the summer of 2004. Most stakeholders (73%) and promoters (60%) were also of the opinion that effects of this type were, in fact, created by the program, and they identified a number of them. However, it should be pointed out that some of the unforeseen effects identified by respondents are limits to program effectiveness, advantages and disadvantages.

Among the unforeseen effects mentioned by promoters are elements that have a positive impact, including diversification in the development of industries (19%) and the ability to provide training for students (10%). Also mentioned were an increase in enterprise productivity, prevention of the exodus of young people, the creation of infrastructure for NPOs and the positive psychological impact that being able to work has on individuals. The most often mentioned unforeseen impact was that this type of program could make people dependent on government programs.

Stakeholders identified the following positive effects (each was mentioned only once) already reported by the promoters: prevention of the exodus of workers, help for NPOs and economic diversification. Stakeholders, in contrast to promoters, identified more negative effects (each was mentioned once): the creation of expectations among ineligible workers,

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the competition with private enterprise created by the measures, development of potential dependence among clients and the fact that fishers lost their motivation to take training.

4.3 Effectiveness of program implementation

How was the budget used?

CED had planned to spend a total of \$14M for the program, including \$12.07M in contributions. As at January 6, 2005, the amount of assistance actually committed for the Côte-Nord was \$5.6M, while, for Gaspésie–Îles-de-la-Madeleine, it was \$5.8M, for a total of \$11.4M for the two regions, as shown in the last table, above. This is about 95% of the forecast budget.

When the program was submitted to Treasury Board, the forecast contribution budget was more in the first year of the program's existence (\$7.03M) than in the second (\$5.04M). In actual fact, problems in the initial implementation of the program delayed spending; some offers were received too late for acceptance by target clients or the startup of the projects in question. This delay corrected itself in the second and final year of the program and CED redistributed the budgets accordingly.

The table also shows that the \$5.6M in contributions committed for the Côte-Nord was broken down among 58 projects, creating or maintaining 651 jobs, an average of \$8,602 per job. For the Gaspésie–Îles-de-la-Madeleine region, the commitment totalled \$5.8M, for 86 projects and the creation or maintenance of 1,129 jobs, an average cost of \$5,137 per job. The cost per job is thus higher for the Côte-Nord office than for the Gaspésie–Îles-de-la-Madeleine office, which is explained by the fact that a large share of the jobs in the Gaspé were provided by private enterprise (53% as compared to 20%), which provided 50% of funding for jobs, as opposed to other types of promoter. Most project promoters, other than private enterprises, received 100% of funding to cover project expenses from CED.

Are the financial and human resources invested sufficient to attain objectives?

In the two CED business offices visited, the combined experience of all advisors and their knowledge of the region, the fishery and the community ensured effective implementation of the program. The program provided for the hiring of seven new resources. Our interviews

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showed that two advisors already working for CED were assigned to the program and were replaced in their former duties by other resources. According to our observations during visits to the two offices, there seems to have been compliance with the figure of seven. Files were processed quickly, but at the cost of overtime and a reduction in the number of vacation days for employees in the two offices for the summer of 2003. While onerous, this burden seems to have been seen as inherent in the implementation of a new program. When questioned on the subject, the advisors felt that distribution of a larger share of their workload would have lightened their tasks. We do not have any specific data on how much of the work was actually redistributed, we are only mentioning the comments we received. However, the allocation of a specific resource to monitor more complex claims in the Côte-Nord is a practice that appears to have worked well.

In addition, the advisors suggested that an additional resources be assigned in the Basse Côte-Nord to conduct follow-up in the field during the summer. The resource could be an employee of CED or a local organization. This suggestion was made because of the cost, in terms of both time and money, engendered by geographic distance. The addition of this resource would have allowed for improved monitoring of projects and reduced the administrative problems encountered. In general, despite the fact that the QFCAM are short-term, advisors in the two regions would appreciate additional resources to allow for more structured interventions with a greater impact on regional development in the future. In addition, the new advisors mentioned that they would like more training on implementing the program, since they have no knowledge of CED tools. For example, more training in the processing of payments would be appreciated.

In terms of financial resources, directors, advisors and support staff involved in the QFCAM are unanimous; they are sufficient to attain program objectives.

Do promoters use the contributions as and for the purpose intended?

The program was implemented to deal with the job losses created by the fishing moratorium. The overriding criterion of the program, as stipulated in the submission to Treasury Board, is the creation of short-term jobs. The projects approved by the Agency responded, in the main, to this criterion. Our visits to projects and interviews with advisors, examination of the documentation on Agency files and verification assured us that promoters complied with their commitments and with the terms and conditions of the contribution agreements they

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signed.

Even though the promoters complied with the contribution agreements, some projects that did not involve short-term job creation were approved by CED. Of the 144 projects approved as at January 6, 2005, nine did not create any jobs. The value of the assistance provided for these nine projects was \$233,589 out of \$11,459,497, or 2.04% of the total amount of assistance provided for QFCAM projects approved as at January 6, 2005. The Agency obtained ministerial approval to use QFCAM monies to fund projects that did not create immediate jobs but would allow for diversification of the economic base in future years.

Did promoters and advisors co-operate adequately?

The survey showed that the general level of satisfaction among promoters with regard to service from CED staff is very high (97%). In fact, all the promoters said they were satisfied with the competence of CED employees and the guidance they received throughout the process. Satisfaction is also very high with regard to the courtesy of employees (97%). The vast majority of promoters (94%) also said they were satisfied with the ability of CED staff to respond to their needs.

The employees responsible for QFCAM management whom we met in our recent visits to the two business offices had a positive impression with regard to co-operation between promoters and advisors. We asked them, as well as Agency management, about several complaints recorded or received with regard to the program. The complaints received from citizens about the eligibility of workers were unfounded. A complaint recorded after a project was turned down was withdrawn after a review of the project resulted in its approval. Lastly, another complaint was being dealt with at the time of our most recent visit, but the information gathered seemed to indicate that it was unfounded.

Was the program implemented effectively, efficiently and within the expected time frame?

The moratorium and the program were both announced on April 24, 2003 and the first jobs were created on June 3, with 221 being offered in that month. By the end of August, 625 jobs had been created or maintained. According to CED directors and advisors, the job offers were too late for workers in 2003.

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The delay was not repeated in 2004; the first projects began in March 2004. It should also be mentioned that no projects were delayed awaiting receipt of a payment.

Implementation of the program seems to be proceeding well so far. The first phase of the program was implemented within the established time frame. However, directors and advisors think that preparation of the submission to Treasury Board, the establishment of the terms and conditions for granting contributions and the signing of an agreement with HRSDC could have been handled more quickly.

Were all eligible promoters informed of the existence of the program?

Meetings took place for all eligible and ineligible plants. During the visit to the Gaspé office in October 2003, it was mentioned that there was no list of potential promoters other than the plants, but that the advisors' experience and knowledge of the community had enabled them to contact everyone. The contacts were made directly, in May and June 2003. CED decided to favour NPOs that had the ability to manage contributions and were in a position to establish viable projects intended to create jobs in their communities.

It might seem that all NPOs should be informed of the program's existence, in order to make it as accessible as possible. However, the number and diversity of the NPOs in the two affected regions makes this unrealistic. The directors and advisors we met said that informing all NPOs would have generated more projects to be analysed than necessary. The data obtained would appear to substantiate this point of view. As at January 6, 2005, over 200 projects have been received and 144 projects approved. The average number of jobs created and maintained, 890, compared to the annual anticipated loss of 832 jobs, also tends to demonstrate that there were enough promoters. In addition, the Agency does not want to favour promoters to the detriment of fish processing plants.

Moreover, in the Basse Côte-Nord, an NPO submitted to the Agency projects that had been submitted to it by private enterprise. This was also a help in reaching eligible promoters. Staff in the Agency's two business offices were able to address promoters in English, which ensured all promoters of access to the program.

The survey conducted in the summer of 2004 confirms that the vast majority of promoters believe that all potential promoters in their region were informed of the program. Only 6%

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of respondents believed otherwise, but it should be pointed out that 14% of respondents said they were unable to answer this question or refused to answer it. Of the 11 socio-economic stakeholders questioned during the survey, three did not know about the QFCAM program. However, these three were not directly involved with the program's target clientele.

However, the majority of promoters and stakeholders felt that it would be a good idea to improve the way information is transmitted, so as to reach promoters better. According to promoters, the three best ways to transmit information on the program would be local media (43%), information meetings (33%) and through municipalities (14%). Stakeholders felt that the best transmission method was local media (community radio and newspapers) and they, themselves, ie, the socio-economic stakeholders. It is worth noting that the methods mentioned by the promoters and socio-economic stakeholders are, in fact, those used by the Agency.

Were the eligibility criteria well defined and respected?

Overall, the directors, advisors and support staff responsible for the QFCAM felt that the criteria were well defined. CED has established administrative terms and conditions that support project approval and specify the weight that must be given to eligibility criteria. For processing plants, the terms and conditions establish a measurement for determining whether or not their workers are eligible, based on the plant's dependence on cod. CED has not established an equivalent cod dependency measurement for workers. Advisors would have liked such a measure to be instituted—for example, a minimum number of hours.

The verification showed that, overall, the eligibility criteria were respected. The only exception was two minor irregularities in one of the two regions. These involved funding repayment of the wages of ineligible workers, with a non-compliance rate of 2.81% of all the jobs provided under the QFCAM. In addition, one plant obtained a higher rate of repayment than that provided under the contribution agreement, but the Agency took steps to recover this amount.

Do program management mechanisms allow for sound management?

The audit report (which contains the results of work in 2003 and 2005) indicated sound management of the program overall. However, it did point out some areas where improvement could be made, including a more effective mechanism for liaison between

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HRSDC and CED to facilitate access to lists of potential workers. The delay in obtaining these lists in 2003, combined with the delay in signing the agreement between HRSDC and CED, likely hindered the program's effectiveness during the first year. The audit report also mentions that CED would like to receive every list electronically and have access to a designated HRSDC representative for the program.

The audit report also mentioned that closer co-operation with the Department of Fisheries and Oceans (DFO) was desirable. DFO's participation and co-operation with CED when the QFCAM was being prepared had been essential. Directors and advisors in CED's two business offices were expecting this co-operation to continue for the entire length of the QFCAM. However, while the projects were under way, co-operation with DFO in the Gaspé ended, owing to the lack of a formal agreement.

In terms of monitoring of hours paid, the audit report indicated that promoters did not have all the evidence, despite attendance records, that the hours paid had actually been worked. A recommendation on the use of time sheets was made in this regard in the audit report. This aspect was strengthened during the 2004 season and monitoring became more stringent.

Was monitoring carried out?

Interviews and an examination of file samples in 2003 and 2005 indicated that CED advisors provided suitable monitoring. In 2003, it was found that documentation for the monitoring was not uniform. For example, visits and telephone calls were not always entered in the files. In 2005, the file sample examined showed an improvement in documentation of monitoring.

Other comments and suggestions from the survey

During the survey, we asked promoters and stakeholders whether they had other comments or suggestions with regard to the QFCAM program. Answers were many and various.

Many promoters simply stated that it was a good and transparent program. Two promoters added that the program should be continued. Two others were more critical, saying that we should build more for the long term, rather than using short-term measures. A series of other comments was also made (each comment from a single individual). The following list is not exhaustive and gives priority to comments or suggestions not appearing elsewhere in this report:

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- increase the financial limit that can be approved by the regional business office from \$100,000 to \$150,000 (Gaspésie–Îles-de-la-Madeleine);
- target fishing communities better;
- distribute eligibility criteria for workers in February or March;
- increase the flexibility of budget items;
- open a CED business office in the Basse Côte-Nord;
- tailor projects to the municipal, rather than the regional, level.

Comments and suggestions from socio-economic stakeholders were also highly varied, since most of them were mentioned only once. The following list, like the one above, is not exhaustive and gives priority to matters that were not mentioned elsewhere in this report:

- greater transparency on the part of the Department of Fisheries and Oceans (twice);
- promote more long-term projects (twice);
- more joint action by the parties;
- make the measures accessible to more people;
- better planning of the fishing effort;
- policies should be more consistent.

4.4 Lessons learned

In this section, we are presenting the lessons that the directors, advisors and support staff involved in the QFCAM in the two business offices learned from implementation of the QFCAM. These lessons can be used for the implementation of programs which, like the QFCAM, respond to emergency situations.

What lessons can the government learn from the QFCAM?

The following are the lessons mentioned:

- announce the moratorium earlier;
- encourage more joint activity among the departments;
- management of a program involving worker eligibility or entitlement for employment insurance should be given to HRSDC or;
- carried out jointly with HRSDC; the portion of a program involving worker eligibility or entitlement for employment insurance should be given to HRSDC and the part involving carrying out projects given to CED;
- establish intervention strategies so that something viable will remain once the program ends.

Clarification by management

As previously mentioned, HRSDC lost its ability to implement adjustment measures when the Canada Jobs Fund was abolished in 2001. Although the fund no longer exists, the monies from the CJF were transferred to CED to be invested in the IDEA-SME and Regional Strategic Initiatives Programs and therefore, for purposes other than the creation of temporary employment.

What lessons can the Agency learn from the QFCAM?

The following are the lessons mentioned:

- lighten the administrative requirements of the program management system (Hermes) when implementation starts.
- obtain the list of eligible workers from HRSDC more quickly;
- sign agreements for information sharing among departments, including the

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- designation of regional liaison officers;
- even though this type of assistance is short term, greater effort should be made to consider more growth-generating projects that would diversify the regional economy;
- focus more on regional situations. The Basse Côte-Nord was hard hit by the moratorium, which had a lesser impact in the Gaspé, while the Magdalen Islands were very little affected. We are dealing with three different issues, to which we tried to apply a single solution.

What can the Agency learn from the QFCAM in terms of best practices?

The best practices to be learned are as follows:

- be flexible;
- be open to team spirit;
- work with the community;
- be able to communicate clearly with the community;
- following a few simple operating rules is key to success for emergency programs;
- advisors must be versatile.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Findings on program relevance

It is obvious that the need underlying creation of the program still exists, since the fishing moratorium remains in effect. The moratorium has had an impact on the population targeted by the program, and the unemployment rate in the regions where the program has been implemented is high. It may also be concluded that the perception as to the relevance of the program measures is, in general, very favourable, among both workers and promoters. Regional differences do not seem to be very significant in this regard and it would be fair to say that the perception is clearly favourable everywhere. In general, it is also felt that the measures were well tailored to the needs of workers and promoters and that the strategy used was appropriate.

5.2 Findings on program success

In accordance with its objective, the program helped to create short-term jobs. An average of 890 jobs a year were created or maintained and enabled the individuals to qualify for employment insurance. Sound communications strategies were implemented to contact target clientele, although some workers were contacted a bit late in the 2003 season.

The survey indicated a high degree of satisfaction with the program, since 88% of workers said they were satisfied and 91% of promoters felt that the measures had helped to create short-term jobs. However, the improvements suggested by respondents should not be disregarded. In terms of economic spinoff, we may conclude that the perception is favourable, since the great majority of respondents believe that economic spinoff was generated by the program, if only in terms of creating jobs for people. The measures seem to have contributed to the development of new markets and the improvement of existing infrastructure. Advisors report substantial economic spinoff, although the actual economic spinoff remains to be determined.

Unforeseen effects were also identified, including competition from projects to the detriment of plants, owing to a higher hourly wage, a need for more insurable hours than anticipated and the tendency of workers to leave their jobs once they qualify for employment insurance, resulting in additional logistical problems and the creation of expectations. The unforeseen effect most often mentioned in the survey was that this type of program can encourage people

to become dependent on government programs.

Recommendation A

In developing job creation programs, CED should give more consideration to the employment problems in individual regions, including wages offered, the disparity between the employment needs of target clientele and the habits and attitudes of workers with regard to jobs in the region, so as to maximize program success.

Management response A

The Agency agrees that the wages paid to fishers, fishers' helpers and plant workers under projects funded by the QFCAM should be equitable and that their impact on other wages paid in the affected communities should be minimal. That being said, a rate of \$10/hour was approved for all workers hired under projects funded by the Agency (\$13.50/hour for forepersons). These rates are based on the average wages of the individuals affected (plant workers at about \$8/hour and fishers/fishers' assistants at about \$12/hour). Average rates were used so that two individuals, working side by side and doing the same job, would not have wages that were unequal and, in fact, inequitable. However, we are forced to admit that the regions affected, especially the Basse-Côte-Nord, have a job market that is highly dependent on a single industry and very isolated geographically, and it becomes very difficult to do anything without having an impact, however minimal.

Recommendation B

CED should get the communications methods and tools required to contact clients up and running more quickly, so that projects can be started without delay when a program such as this is implemented.

Management response B

The Communications Directorate agrees with the recommendation, as long as all the necessary information is available when the initiative is launched.

5.3 Findings on program implementation

The program is properly managed, according to the audits carried out in 2003 and 2005. Employees in CED's business offices have the abilities and skills they need to implement the measures. The program was implemented within the anticipated time frame and contributions were paid without delay. Projects received 95% of the planned contributions budget. In some cases, job offers arrived a little late in the first season, but these delays were not repeated in the second season. Directors and advisors think that preparation of the Submission to Treasury Board, the establishment of terms and conditions for the granting of contributions and the signing of an agreement with HRSDC could have been completed more quickly and would have speeded up the receipt of job offers in the first season.

In general, directors, advisors and support staff responsible for the QFCAM feel that the eligibility criteria have been well defined. These criteria were respected overall. Financial and human resources were adequate to attain the objectives, but advisors have made some suggestions to maximize their attainment. Contributions were used in the anticipated manner and for established purposes, with the exception of nine projects which did not create jobs, but for which CED had obtained ministerial approval. Lastly, improvements could be made in terms of interdepartmental co-operation with HRSDC and DFO.

Recommendation A

In implementing emergency programs that require the expertise of a number of departments, CED's senior management should, without delay, contact and involve the highest levels of the other departments concerned, so as to receive all the necessary co-operation. This co-operation should include the rapid signing of formal agreements on information sharing among the departments involved, the designation of liaison officers and mechanisms for responding to other needs that may arise during the course of the program. Co-operation from the most senior to the most junior levels of the departments should be planned.

Management response A

The PMB agrees that co-operation among all departments is of the utmost importance. This is all the more true when it comes time to implement emergency measures such as the QFCAM. While it is true that measures were put in place extremely quickly and that the Agency's experience in this type of intervention was limited, it nevertheless was able to

make adjustments as it went along, and co-operation with other departments improved between the announcement of the moratorium in 2003 and the end of the measures in 2005.

Recommendation B

When implementing emergency programs in the future, CED should use the experience gained with the QFCAM and try to implement the suggestions of its advisors with regard to division of the workload and the training needs of new advisors, as mentioned in this report.

Management response B

The PMB agrees that, although it was acting under special circumstances with regard to the deadline for delivery of the measures, the lessons learned with the QFCAM must be taken into account in the event of another emergency program.

5.4 Findings on lessons learned

A number of lessons learned, listed at point 4.4, are already reflected in the above recommendations. It should be mentioned that the directors, advisors and support staff involved with the QFCAM were unanimous with regard to almost all the lessons listed. We will now discuss those not mentioned in the recommendations above.

Recommendation A

From the standpoint of joint interdepartmental action, the public announcement of a moratorium and related compensatory measures should take place earlier. This would reduce the delays mentioned in this report with regard to the development of administrative terms and conditions, project startup, obtaining lists of workers and signing an agreement with HRSDC. It could also favour the establishment of more growth-generating projects by allowing promoters more time to reflect while providing for the creation of short-term jobs.

Management response A

The Agency agrees that it would have been better had it been informed in advance of the moratorium, so as to have a reasonable length of time to prepare emergency measures, given the impact on the communities concerned. However, the Agency has to leave it up to the departments responsible to advise it as soon as possible. The Agency does realize that unavoidable circumstances can arise.

Recommendation B

CED should take care to include, in any short-term assistance program targeting a region where economic growth is slow, mechanisms and resources to encourage the emergence of longer-term economic diversification, parallel with the short-term assistance provided. For example, allocating resources to the establishment of intervention strategies, carrying out studies or supporting research and development.

Management response B

Since the summer of 2003, the Agency has undertaken an exhaustive consultation process with communities affected by the moratorium. The Agency invited all the departments involved to take part in most of the activities. The meetings brought out a number of short- and long-term solutions involving the economic diversification of the affected communities, toward which the Agency is working.

Recommendation C

When dealing with an emergency situation such as that created by announcement of the fishing moratorium, CED should consider the possibility of a joint program with another department.

Management response C

The Agency agrees with the recommendation. In fact, the Agency is still looking into a variety of options open to it in developing and implementing programs. When it is possible and desirable, it works in co-operation with other departments, including the preparation of joint submissions to Treasury Board. The Agency worked with Industry Canada in the development and approval of the CANtex program.