

FINAL REPORT

EVALUATION OF CANADA ECONOMIC DEVELOPMENT'S REGIONAL STRATEGIC INITIATIVES (RSI) PROGRAM

Document

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Date:

September 2002

For:

Canada Economic Development for Quebec Regions
Quality, Information and Technology Branch

Executive Summary

EVALUATION OF CANADA ECONOMIC DEVELOPMENT'S REGIONAL STRATEGIC INITIATIVES (RSI) PROGRAM

This executive summary outlines the evaluation of Canada Economic Development's Regional Strategic Initiatives (RSI) Program. The evaluation, covering the reporting period from February 7, 1997 to March 31, 2001, was jointly carried out by two Laval University researchers and research firm INFRAS Inc.

1.1 Mandate

The objective of this evaluation was to draw up an overall profile of projects that received refundable or non-refundable contributions. The team assigned to carry out the Program evaluation reviewed the Program's relevance, implementation and impact in order to compile findings and make recommendations to improve the Program.

1.2 Evaluation issues and questions

The five objectives of the evaluation assignment have been grouped into the following four key issues: (1) evaluation of the RSI Program's relevance (its purpose); (2) evaluation of the RSI Program's implementation (its functioning); (3) evaluation of the RSI Program's impact (results); and (4) identification of lessons learned and best practices (recommendations).

2. Evaluation strategy

Quantitative and qualitative information-gathering methods were used in the evaluation.

2.1 Methodological approach

The evaluation was based on quantitative and qualitative data-gathering and analysis methods.

2.2 Data-gathering process

Two telephone surveys were carried out. In the first survey, carried out on November 27 and December 20, 2001, proponents who had received Agency contributions were contacted. The sample for this survey consisted of 384 projects, which corresponded to 292 various clients of the Program given that several clients had carried out more than one project with Agency financial support. In all, 179 of these 292 clients participated in the telephone survey, an absolute response rate of 61.3%.

In the second survey, carried out between December 12, 2001 and January 11, 2002, proponents who

had not received Agency contributions were contacted. Out of a possible 54 proponents whose applications for financial assistance had been rejected, 29 were contacted in the survey, an absolute response rate of 56.9%.

The information collected for the evaluation was also based on group interviews with 32 proponents from five Quebec cities and individual interviews with 30 directors, consultants or players outside the Agency. All of the interviews were held in January 2002.

2.3 Evaluation scope and limitations

The data gathered in telephone surveys and interviews were representative of various Program activity categories and various Quebec regions.

3. Main results and recommendations

Regarding Program relevance

Main results

- # Requirements for the restructuring of regional economies are growing and will call for more financial resources in the future.
- # The RSI Program is flexible and can meet current regional economy restructuring requirements that vary from one region to another as well as a broad range of requirements even within regions.
- # Compared with regional development programs in effect in Europe, the RSI Program is innovative because it targets the region rather than companies and supports the development of innovative skills rather than production inputs.
- # The RSI Program is innovative. It encourages project proponents and Agency advisers to focus most of their efforts on regional economic restructuring.

Recommendation

The Agency should set benchmarks for the RSI Program over a three-year period in order to compare it with highly innovative programs that have been set up to meet the support requirements of regional economic restructuring and improve regional socio-economic environments. It should also pay special attention to targets and forms of support provided by these programs.

Regarding Program implementation

Main results

- # One of the original aspects of the RSI Program is to encourage Agency advisers to adopt a

proactive approach with proponents during the project development stage.

- # Interviewed advisers and regional managers said they were very proactive during the development of RSI Program projects. Agency advisers not only behaved very proactively during project preparation phases with proponents of accepted applications for financial assistance, but they also provided guidance for proponents of rejected applications for financial assistance.
- # The Program is based on competent advisers who have set up diversified networks of contacts in their regions and gained the trust of regional development players. Over 90% of proponents of accepted applications for financial assistance were satisfied with the role played by Agency advisers.
- # Clients were satisfied with the approval time for projects submitted to the Agency. Overall, project proponents thought the Agency's project analysis and approval procedures were prompt and straightforward.
- # The RSI Program reached organizations and companies with a variety of financial and human resources. The total cost of projects carried out with Agency contributions also varied considerably.

The RSI Program is therefore appropriate for reaching a broad range of clients. This is a Program strength that must be maintained because the situations and needs of companies and organizations involved in regional development vary enormously from one company to another, from one organization to another and from one region to another.

Recommendations

- # The proactive approach of the RSI Program is a tool for mobilizing regional players and regional development stakeholders that must be maintained. Although the level of client satisfaction with the Program was very high, the Agency could still increase the level of client satisfaction somewhat by implementing measures that could reduce approval times for projects involving more than \$100,000 and approval times for projects involving innovation, R&D and design activities.
- # Although a very high percentage of projects are carried out according to Agency approved schedules and budget estimates, somewhat more serious problems (often beyond the Agency's control, such as approval times of other financial partners) that arise in projects involving studies, marketing activities and start-ups and expansions, should be pointed out in activity reports submitted at regular intervals determined by both parties (proponents and organizations) to the Agreement.
- # The Agency should attach greater importance to carrying out activities in which regional companies and socio-economic players work together to increase economic activity or empower economic players, not only when projects are developed, but also when projects are implemented.

Regarding Program impact

Main results

- # Projects in the technology development, tourism development and regional adjustment categories promote job creation, whereas it is projects in the regional adjustment and tourism development categories that contribute most to maintaining existing jobs.
- # Agency contributions have a very significant financial leverage effect on other financial partners active in regional development. The RSI Program has a very sizeable mobilizing effect on co-operation between regional economic development players.
- # RSI Program projects have a significant growth-generating effect in that they step up economic development processes and empowerment of economic players, thereby helping to create these two necessary conditions for the emergence and consolidation of endogenous regional development processes.

Recommendations

- # The RSI Program must continue to focus on the restructuring of endogenous regional development conditions by increasing the interaction between socio-economic players in order to improve economic development processes and empower economic players.
- # The Agency should consider acquiring specific indicators of increased economic development and empowerment of economic players. This task could be given to the Quality and Review Directorate, which could also consider giving training sessions on this topic for Agency advisers and managers.

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1. INTRODUCTION

This report sets out the results of the evaluation of Canada Economic Development's Regional Strategic Initiatives (RSI) Program.¹ This evaluation, covering the reporting period from February 7, 1997 to March 31, 2001, was carried out jointly by two Laval University researchers and research firm INFRAS Inc. The various phases of the evaluation were carried out between September 2001 and May 2002.

1.1 Evaluation assignment

The evaluation of the RSI Program had five objectives, including drawing up an overall profile of projects that have received non-refundable contributions (usually allocated to organizations) or refundable contributions (usually allocated to companies). The evaluation also looked at the Agency's innovative approach for the RSI Program, assessed design processes, implementation of regional strategies and changes in regional strategies, measured results of activities according to Program input areas, and identified possible measures by determining lessons learned in order to improve future activities.

1.2 Brief description of the Program and purpose of the evaluation

On February 6, 1997, the Treasury Board approved the RSI Program and its administrative procedures. The Program promotes the fostering of socio-economic environments conducive to the development and competitiveness of Quebec's small and medium-sized businesses (SMEs) within the context of a globalizing economy. It is positioned upstream from the IDEA-SME and is part of the support provided for Government of Canada activities to create jobs and foster economic growth through the components of Science and Technology, International Trade and Market Development and the youth agenda. This Program is also based on a horizontal management approach whereby federal action plans are implemented in response to regional economic development problems.

The RSI Program falls within the following four activity categories:

- Projects to develop the technological capabilities of the regions by promoting the use of the most appropriate technologies and adjustment to these technologies by SMEs.
- Tourism development projects that enhance international tourism drawing potential by promoting the development of tourism activities that can tap into national and international markets.
- Projects in support of the drawing power and international influence of Quebec regions that strive to create environments conducive to launching projects involving international partners.

¹ NB: For easier reading, we will use the abbreviation RSI for Regional Strategic Initiatives and the word Agency for Canada Economic Development.

- Projects in support of the adjustment capability of the regions that provide support for regional adjustment activities, particularly in rural areas, within the context of globalization.

1.3 Report presentation

The report begins with the evaluation strategy, then outlines the evaluation results in terms of the Program's relevance, implementation and impact. The results highlight the additional viewpoints of RSI project proponents, Agency advisers and managers, and external stakeholders.

The evaluation results include a number of findings and useful lessons for the future of the Program. The conclusion reiterates the main results of the evaluation and sets out a few recommendations that may help to improve the Program.

2. EVALUATION STRATEGY

To meet the targeted objectives, a combination of quantitative and qualitative information-gathering methods were used in the evaluation. Five major information sources were selected: RSI Program project proponents who had received Agency contributions; RSI Program project proponents who had not received contributions from the Agency; local and regional players consulted during the development of RSI Program strategies and projects; Agency advisers and managers who participated in the RSI Program in various capacities; and secondary data from RSI Program project administrative files.

2.1 Evaluation issues and questions

The five objectives of the evaluation assignment were grouped into the following four key issues:

1. Evaluation of the RSI Program's relevance (its purpose)
2. Evaluation of the RSI Program's implementation (its functioning)
3. Evaluation of the RSI Program's impact (results)
4. Identification of lessons learned and best practices (recommendations)

2.2 Methodological approach

The following four data-gathering methods were used: (1) telephone surveys; (2) discussion groups; (3) individual interviews; and (4) review of administrative files. The following four analysis methods were used to study the collected data: (1) modelling of the Program and study content; (2) a review of the literature; (3) a relative performance assessment; and (4) benchmarking.

2.3 Data-gathering process

Two telephone surveys were carried out. The first survey, involving RSI Program project proponents who had received an Agency contribution, was carried out between November 27 and December 20, 2001. The survey sample included 384 projects, which corresponded to 292 various Program clients, given that several clients had carried out more than one project with Agency funding under the RSI Program. In all, 179 of these 292 clients participated in the telephone survey, for a response rate of 61.3%.

The objective of this first survey was to gather information on types of activities and impacts of projects for which the Agency had allocated contributions. Clients who received Agency contributions for more than one project were asked about the project for which the Agency had allocated them the biggest contribution. The second survey, involving project proponents who had not received Agency contributions, was carried out between December 12, 2001 and January 11, 2002. This second survey gathered information from 29 proponents, out of a possible 54, whose applications for financial assistance had been rejected, for a response rate of 53.7%. The objective of the second survey was to gather information on preparation procedures, the Agency's procedures for analysing their files and the extent to which they had carried out their projects without Agency support. This can be considered an excellent response rate because clients who were not recipients of Program funding were much more likely to refuse to participate in its evaluation.

Group interviews were also carried out in regions identified by the Agency's Evaluation Committee. These interviews were held in January 2002 with 32 proponents in Rimouski, Chicoutimi, Quebec City, Longueuil and Montreal, out of a possible 57 proponents identified in the telephone survey. Also in January 2002, 30 individual interviews were carried out in person or over the telephone with persons involved in various capacities in RSI Program implementation, including 7 senior advisers, 8 Program advisers, 4 regional managers, 6 Head Office managers and advisers and 5 stakeholders from outside the Agency. These surveys and interviews were used to gather information on implementation aspects and relevance of the RSI Program. The persons surveyed or interviewed made it possible to obtain a representative coverage of various RSI Program elements.

2.4 Evaluation scope and limitations

Table 1 shows that survey respondents were representative of the base sample in terms of the breakdown by activity category.

The interviews with Agency advisers and managers also covered four Quebec regions that are representative of urban and rural communities as well as resource regions and manufacturing regions. Agency employees interviewed for evaluation purposes included people involved in developing the Program itself, developing the RSI Program at the regional level and implementing RSI Program projects in co-operation with community stakeholders in the regions. Agency employees interviewed for evaluation purposes were very well informed about the Program and projects in progress.

Table 1 Comparison of Survey Respondents and Base Sample Broken Down by Activity Category

	Base sample	%	Survey respondents	%
Tourism development	87	29.8	55	30.5
Technology development	106	36.3	56	31.1
International influence	33	11.3	23	12.8
Regional adjustment	66	22.6	46	25.6
TOTAL	292*	100	179	100

*The 384 projects in the GMAX financial system correspond to 292 different clients.

Seven group discussions were held with project proponents in regions selected by the Evaluation Committee. The 32 project proponents who participated in discussion groups held in Rimouski, Chicoutimi, Quebec City, Longueuil and Montreal debated the Program's strengths and possible areas for improvement, and, in particular, the RSI Program's uniqueness within the inventory of existing regional development programs. The proponents who attended the discussion groups organized for evaluation purposes had a profile similar to the breakdown of organizations that received Agency contributions.

The survey gathered information from respondents whose projects were in various stages of completion. According to the 179 respondents, 81 projects (45.2%) were in the process of payment (601 status), 76 projects (42.5%) had received their final payment (605 status), 11 projects (6.1%) were completed (608 status), 9 projects (5.0%) had just accepted an offer of financial assistance (600 status), one project (0.6%) was in contractual default (607 status) and one project (0.6%) had been made an offer but had not yet accepted it (600 status). In short, this information shows that over half of the approved projects (51.4%) in the reporting period had not been completed, which limited the scope of the results. Because many projects had not been completed and the evaluation covered only a four-year reporting period, it was difficult to measure the long-term effects of the RSI Program on regional development.

Recommendation

Special attention should be paid to this shortcoming in the next Program evaluation, which, because it will have findings over a longer period, should try to measure the long-term impact of the RSI Program.

The evaluation findings were based on quantitative data obtained in telephone surveys and quantitative information on RSI Program files from the administrative database. Qualitative data from individual and group interviews was also used to put the gathered information in context and more fully document Program functioning, possible improvements, success cases and lessons learned in the field.

3. REVIEW RESULTS

3.1 In terms of Program relevance

The issue of RSI Program relevance was dealt with from two angles. First, we carried out an analysis to determine whether there were still requirements to be met or whether needs had changed. Second, we asked ourselves questions as to the relevance of recommended activities under the RSI Program.

3.1.1 In terms of relevance of requirements

Clients generally felt that there was a still a growing need for support for businesses and organizations working to improve regional development conditions. The needs were very diverse. For example, in order for regional development conditions to be understood and restructured, they believed there were requirements for increasingly specific diagnoses, increasingly complex development plans, increasingly expensive technology platforms and research infrastructure, more incubation and entrepreneurship support measures, faster modernization of production technologies and facilities, and expanding requirements in terms of promoting and marketing regional products and know-how. The telephone surveys and group discussions showed that the RSI Program is doing an excellent job of meeting the structural requirements of regional economies.

Finding

Clients felt that the structural requirements of regional economies were expanding and would require additional financial resources in the future.

Agency advisers and managers all tended to address the question of the RSI Program's relevance by looking at it in relation to other Agency programs and federal initiatives and to their reading of the structural requirements of regional economies. They felt that the RSI Program met the additional needs of the IDEA-SME Program, such as the requirement to take advantage of opportunities to restructure regional development rather than just business opportunities arising for individual companies. They also felt that the RSI Program gave them a customized, flexible tool for meeting the restructuring needs of regional economies.

Most advisers and managers also pointed out that the RSI Program was an effective means for meeting the requirements to harmonize federal policies in the regions. They all said that the RSI Program was a major improvement, compared with the previous situation of regional development agreements.

Agency Head Office advisers are reviewing requirements above and beyond those of Quebec in order to pinpoint the needs of regions and companies within the larger context of globalization. One of these advisers summarized in a few words how most of them interpreted these needs when he said, "Requirements have changed because of the rapid globalization of economies. It is becoming increasingly important to empower players and companies and include them in networks that reach beyond their home regions." Based on this interpretation of requirements, these advisers suggested that

the RSI Program should place even greater emphasis than it currently does on empowerment and networking.

Overall, the Agency's regional advisers and managers noted that requirements varied considerably not only from one region to another, but also within the same region.

Finding

According to the Agency's regional advisers and managers, the RSI Program is sufficiently flexible to meet regional economy restructuring requirements that vary considerably from one region to another and to fulfil the broad range of requirements within regions.

3.1.2 In terms of relevance of activities

An international team of experts led by Claire Nauwelaers, which assessed 40 innovation support programs in 11 European regions, has developed a classification table for regional development support programs that uses the following two dimensions to distinguish between programs:

- Activity target: company or region (regional system)
- Type of support: support for production inputs or support for development of innovation skills

The international team concluded in its diagnosis that regional development required support from all types of programs and that support programs should be custom-made to meet the wide variety of starting situations in regions. The team concluded that the most innovative and most frequently used programs in Europe were programs that targeted the region rather than individual companies and provided support for the development of innovation skills rather than support for production inputs. The RSI Program corresponds perfectly to these types of innovative programs in that it targets regions and provides players with support to develop innovation skills. The innovative European programs most often cited as examples are the SND (Industrial and Regional Development Fund of Norway), the ERDF (European Regional Development Fund) and the RITTS (European Regional Innovation and Technology Transfer Strategies and Infrastructure). According to the information obtained in interviews with Agency Head Office advisers, these various programs have had a considerable impact on RSI Program design. The RSI Program therefore meets the requirements that few programs elsewhere in the world are able to meet as well as requirements not met by other programs implemented by the federal and Quebec governments.

In addition, the detailed diagnosis entitled *The Periphery in the Knowledge Economy - The Spatial Dynamics of the Canadian Economy and the Future of Non-Metropolitan Regions in Quebec and the Atlantic Provinces*, carried out by the team headed up by Mario Polèse and Richard Sheamur, arrived at several conclusions, including a few that should be highlighted in this evaluation because they confirm the relevance of the RSI Program. According to this diagnosis:

- Local development organizations funded by the federal government or the provinces play an

- invaluable role;
- Policies requiring the application of uniform criteria will have adverse effects on the most peripheral communities; and
- The promotion of companies must coincide more with an objective diagnosis.

These few diagnostic components by themselves indicate that the Program is even more relevant than originally thought by the Program designers.

Finding

Compared with regional development programs in effect in Europe, the RSI Program belongs to a tiny group of innovative programs that target the region rather than companies and provide support for the development of innovation skills rather than production inputs. Clients participating in the discussion groups emphasized the innovativeness and uniqueness of the RSI Program in relation to other regional development support programs. These clients were representative of RSI Program clients.

Recent changes in the most innovative regional development programs and the work carried out by experts in regional development and innovation in the manufacturing sector also highlight the virtues of providing support for the development of innovation skills and emphasize the development of two types of skills: interactive skills (networking, partnerships and co-operation, etc) and learning skills (R&D, R&D in partnership, etc).

Recommendation

The Agency should set benchmarks for the RSI Program over a three-year period in order to compare it with highly innovative programs intended to meet the restructuring support requirements of regional economies and should pay special attention to the targets and types of support provided by these programs.

Overall, clients whose applications for financial assistance under the RSI Program were approved thought the Program was different from other government programs they had approached previously. When they compared the RSI Program to other programs they knew about from experience, they mentioned the Agency advisers' proactive, facilitating approach in the preparation of RSI projects, the emphasis on the structuring of regional economies and the Program's ability to meet specific needs in their regions.

Clients generally felt that the RSI Program was more flexible than the economic development programs of other government agencies with which they had experience. These findings suggest that RSI Program clients could easily determine the needs to be filled by the RSI Program in relation to other regional development programs provided by other government agencies and in comparison with other Agency

programs, particularly the IDEA-SME Program.

Most respondents whose applications for financial assistance had been approved did not know exactly in which activity category their project belonged. This finding suggests that the Program is flexible to the point where clients are more concerned about implementing projects that focus on requirements to restructure regional economies than about the need to classify their projects in specific categories. According to some regional advisers contacted for the evaluation: "The categories were useful in the beginning to provide us with some ideas. This is no longer the case. The important thing is to develop tools provided by the Program and not activity categories."

Finding

The RSI Program is generally a more flexible, innovative program than most other programs that encourage both clients and Agency advisers to focus key activities on the structuring of regional economies.

3.2 In terms of Program implementation

3.2.1 Role of advisers in the project development process

Table 2 on the following page outlines the adviser's role at various project development stages. Note that the adviser tends to get more involved at certain stages, such as the following:

- Specifying how the financial contribution will be used
- Specifying project content
- Helping to set objectives
- Helping to determine project activities

Table 2 Adviser's Involvement in Various Project Development Stages

	<i>Total</i>	<i>Yes</i>	<i>No</i>
<i>The Adviser helped you to:</i>	<i>N</i>	<i>%</i>	<i>%</i>
Specify how the Agency's financial contribution would be used.	172	88.4	11.6
Specify what your project involved.	172	76.7	23.3
Set objectives.	170	70.0	30.0
Specify activities to be carried out.	171	69.0	31.0
Establish relationships with partners other than financial partners.	167	40.1	59.9

Specify how the Agency's financial contribution would be used.	172	88.4	11.6
Establish relationships with financial partners.	166	39.2	60.8

Source: Survey of RSI Program clients

Finding

Clients contacted in the telephone survey believed that one of the unique aspects of the RSI Program was that Agency advisers were encouraged to adopt a proactive approach with clients during the project development stage.

It was clear in the interviews with Agency advisers and managers involved in preparing RSI projects that advisers and managers should continue showing sensitivity to the characteristics of the communities in which they work. While some socio-economic players wanted to take charge of development in their region or community and stakeholders and organizations actively participated in the consultation and consensus-building process, others preferred to be taken charge of. The work carried out by Agency advisers and managers is therefore sensitive and must be tailored to the diversity of situations in the field. The winning formula, according to the interviewed advisers and managers, is to start out by "always taking into account the proponent's needs and to propose good tools based on those needs."

It was also learned in the interviews with regional advisers and managers that many projects got off the ground on their own through the vitality of regional forces. Overall, Agency advisers said they were very proactive during project development phases under the RSI Program.

Finding

Clients contacted for the evaluation confirmed that Agency advisers and managers had played a proactive role during development of their projects.

The RSI Program's proactive approach is not only one of its unique aspects, it is also a tool for developing and consolidating co-operation and partnerships likely to encourage regional players to think that by taking charge, they can take action with regard to their region's development.

Recommendation

The RSI Program's proactive approach is a tool for mobilizing regional players and for regional development that must be maintained in the coming years.

Agency advisers tended to provide guidance even for clients whose applications for financial assistance had been rejected. In 45% of the cases, they helped clients for whom contributions had been refused to

set objectives and priorities for their projects. In 41% of the cases, they helped them specify activities to be carried out as part of their projects. In 38% of the cases, they helped them specify how the Agency's financial contribution would be used within the framework of their projects. In 31% of the cases, they helped them identify or establish relationships with financial partners who could have been involved in their projects. In 21% of the cases, they helped them identify or establish relationships with partners other than financial partners who could have been involved in their projects. Agency advisers also had several telephone conversations with 38% of the clients and work meetings with over one third of the clients. Overall, the results of the survey of clients whose applications for financial assistance had been rejected showed that these clients were satisfied with the Agency advisers' role, particularly the guidance advisers provided during project preparations.

Finding

Agency advisers behaved very proactively during the project preparation stage with clients whose applications for financial assistance had been accepted and provided clients whose applications for financial assistance had been rejected with guidance for their projects.

3.2.2 Sources of information on the RSI Program

Clients who participated in the discussion groups found out about the RSI Program through a wide variety of channels, such as the following: their professional or political contacts; normal procedures for raising project financing; referrals from Human Resources Development Canada; as a result of field work carried out by Agency advisers whose proactive approach consisted of providing information and promoting the Program to potential clients in their region; direct contact with Agency advisers and managers after meetings in which potential clients and Agency staff met one another as part of other activities; and through members of networks they belonged to.

The variety of information channels through which potential clients found out about the Program indicates that the RSI Program effectively reaches a broad range of players and organizations who serve as intermediaries between the Agency and potential clients. This result is attributable to the regular presence and participation of Agency advisers and managers in the economic development activities and organizations in their regions. By attending and participating in economic development events and activities of organizations in their regions, Agency advisers and managers have opportunities to provide information on Agency programs.

Clients whose applications for financial assistance were rejected were told about the RSI Program and referred to the Agency mainly by Local Development Centres (LDCs), Community Futures Development Corporations (CFDCs), Regional Tourism Associations (RTAs) and mayors. The Internet, newspapers and advertising also served as reference sources for clients whose applications for financial assistance had been rejected.

The fact that these clients learned about the Program through information channels and networks that

were not the same as those for clients whose applications for financial assistance were accepted suggests that the Program has a good reputation and that the Agency should consider further promoting the Program to stakeholders, such as those associated with the LDCs, CFDCs, RTAs, and to economic development advisers for municipalities.

3.2.3 Usefulness of advisers' role

Agency advisers behaved proactively when implementing the RSI Program. Because it is a new type of behaviour about which there is still little information, the evaluators tried to determine to what extent the proactive behaviour of Agency advisers was deemed worthwhile by Program clients.

Where projects receiving Agency contributions were concerned, the rating² for all advisers was 4.39 out of a maximum of 5, an exceptionally high usefulness rating for this type of scale and public sector employee. There is a wide variety of reasons why Agency advisers obtained this high usefulness rating.

The telephone survey of clients whose applications for financial assistance were accepted helped identify the main reasons given to justify the usefulness of the advisers' role. Four reasons stand out (see Table 3): program information and advice to help clients prepare their applications for financial assistance and implement their projects according to the RSI Program management framework; guidance provided by advisers during drafting of clients' applications for financial assistance; understanding of requirements; and advisers' competence.

Table 3 Respondents' Comments on Usefulness of the Adviser's Role

<i>Comments</i>	N	%
Information about the Program	41	29.9
Guidance provided for the client	39	28.5
Understanding of project and requirements	20	14.6
Competence	15	10.9
Availability	8	5.8
Diligence	6	4.4
Establishing contacts	5	3.6
Financial assistance	3	2.2
TOTAL	137	100.0

Source: Telephone survey of RSI Program clients

²The usefulness of the Agency advisers' role was measured on a scale of 1 to 5, with 1 signifying a not at all useful role and 5 signifying a very useful role.

In the group discussions with clients whose applications for financial assistance had been accepted, the usefulness of Agency advisers during the preparation and implementation of projects was clearly given a high rating. The collected information highlighted other factors pertaining mainly to the usefulness of advisers during project implementation and follow-up. The three most salient factors were the following: Agency advisers' contacts and knowledge, which helped identify opportunities for other projects and future regional development projects; monitoring of projects by Agency advisers, which gave the Agency a concrete idea of project spinoffs as projects were implemented; and follow-up provided by Agency advisers, which, according to the clients, gave their projects additional credibility. The information-sharing in the discussion groups was also a clear indication that the usefulness of advisers was attributable in large part to the climate of trust between Agency advisers and clients: clients felt that Agency clients were competent and had supportive rather than controlling attitudes, which increased the level of trust and facilitated information-sharing between clients and Agency advisers.

Finding

One of the major lessons coming out of the evaluation is that the proactive role that the Program expects of Agency advisers is successful because the Program was set up with the support of competent advisers, who have set up diversified networks of contacts in their regions and won the trust of regional development stakeholders.

We pointed out above that the RSI Program is an innovative program that is particularly relevant in terms of regional development support programs because of the target, region, type of intervention, development of innovation skills and restructuring of regional economies.

The proactive role of Agency advisers is another innovative aspect of the RSI Program, which rounds out the Program targets and types of support. The proactive role of advisers which, as mentioned above, is considered very useful, has three major implications. First, the proactive behaviour of Agency advisers results in the development of projects by socio-economic stakeholders who would not have taken advantage of opportunities to initiate restructuring projects and development opportunities in their regions. Second, the proactive behaviour of Agency advisers in terms of putting socio-economic stakeholders in contact with one another and building regional alliances encourages regional stakeholders, who perhaps would not have worked together otherwise, to work together and plan the development of their region as an endogenous process rather than as something originating from outside their regions. Third, the proactive behaviour of Agency advisers during project development, implementation and monitoring helps create a better understanding of the Agency in terms of endogenous regional development processes.

Recommendation

The Agency should therefore continue encouraging, if not further encouraging, its advisers to behave proactively during project development, implementation and monitoring. However, encouragement to behave proactively will probably increase time pressures and workloads for advisers. Agency management should examine this issue so as not to compromise the success of the RSI Program.

3.2.4 Satisfaction with the role of Agency advisers

In all, over 90% of clients whose applications for financial assistance were accepted by the Agency said they were very satisfied or satisfied with the work carried out by Agency advisers. This very positive result is further confirmation that Agency advisers are competent, sensitive to the needs of their clients and able to win the trust of socio-economic stakeholders in the regions where they operate. It is very rare for public-sector employees to have such a positive rating. There is a very high degree of satisfaction with the advisers' role in the four Program categories and in all of the Agency's business offices.

Finding

Over 90% of respondents whose applications for financial assistance were accepted were satisfied with the role of Agency advisers.

Close to half of the clients whose applications were rejected said they were satisfied or neither satisfied nor dissatisfied with the Agency adviser's role during development of their projects. The percentage of dissatisfied clients was only 10%. The comments of respondents whose applications for financial assistance had been rejected show that most of them were satisfied with the work carried out by Agency advisers, particularly because they met with Agency advisers on several occasions during the development of their projects and because Agency advisers actively participated in the various development stages of their applications for financial assistance. These results show that clients whose applications for funding assistance were rejected were able to distinguish between the development *process* and the *result*. As can be expected, they were particularly dissatisfied with the result.

3.2.5 Satisfaction with approval procedures for applications for financial assistance

Clients whose applications for financial assistance were accepted and who were contacted in the telephone survey said they were very satisfied or satisfied (81.5%) with the approval times for applications for financial assistance. They gave the Agency a rating of 4.06 out of 5³ for approval times,

³ A satisfaction index was created to measure the degree of satisfaction of clients whose applications for financial assistance were accepted. Ratings on the index may vary from 1 to 5, with 1 signifying very dissatisfied with approval times and 5 signifying very satisfied with

further confirming that Program clients were satisfied overall with approval times for applications for financial assistance submitted under the RSI Program. The degree of satisfaction with approval times for applications for financial assistance was very high for the four Program categories and for all Agency business offices.

However, clients whose projects had received an Agency funding contribution of more than \$100,000 were slightly less satisfied with the approval times (79%) than those given contributions of less than \$100,000 (85%).

Finding

The survey of RSI Program clients indicated that clients were satisfied with the approval times for applications for financial assistance submitted to the Agency. The discussion groups, which met in five Quebec regions, also demonstrated very clearly that clients as a whole considered the Agency's analysis and approval procedures for applications for financial assistance prompt and straightforward.

Program clients were therefore generally satisfied with the approval times for applications for financial assistance submitted under the RSI Program. It should be pointed out that this is a crucial factor in the Program's success. The fact that the Agency encourages its advisers to behave proactively and foster partnerships between socio-economic players in their regions means that the Agency, in turn, must not take too long to approve submitted projects so as to avoid demotivating partners and undermining the credibility of Agency advisers with socio-economic partners in their regions. The Agency has succeeded in meeting this challenge during the RSI Program's first five years of operation.

Recommendation

Although the level of satisfaction of Program clients is very high, the Agency could further increase its clients' satisfaction by setting up measures to reduce approval times for applications for financial assistance of more than \$100,000. However, it should be mentioned that 81.5% of clients whose applications for financial assistance were accepted were very satisfied or satisfied with the approval times.

3.2.6 Management of rejected applications for financial assistance

We have shown above that respondents whose applications for financial assistance had been rejected were satisfied overall with the work carried out by Agency advisers. However, these clients were less satisfied with the Agency decision not to allocate contributions to their projects. The telephone survey found that the reasons for rejecting applications for financial assistance were as numerous as the number

approval times.

of clients. It was learned in the interviews with advisers that many clients whose applications for financial assistance had been rejected had initially contacted Agency advisers and had decided to submit their applications for financial assistance despite the opinions of advisers who had explained that their projects did not meet RSI Program objectives or criteria.

Various methods were used to inform clients of Agency decisions. Of respondents in the telephone survey, 48% said they had been informed in a letter sent by the Agency, 38% had been contacted by telephone by an Agency representative and 10% had been informed in person by an Agency representative. Clients informed by letter had a slightly greater tendency than those contacted by telephone or in person to consider reasons given for the rejection of their projects as invalid.

In addition, a closer analysis of the collected data found that clients whose applications for financial assistance had been rejected were usually submitting their first application for assistance to the Agency. Of clients whose applications for financial assistance had been accepted, 54.8% had previously obtained a financial contribution from the Agency for other projects, compared with 6.9% whose previous applications for financial assistance had been rejected. This comparison suggests that clients with less experience with Agency programs may need more support than other clients during development of their projects.

Finding

Nearly three quarters of clients whose projects were rejected planned to submit applications for financial assistance to the Agency in the future.

However, these findings should be interpreted within a broader perspective that denotes a very positive attitude towards the Agency because nearly three quarters of clients contacted in the telephone survey whose projects had been rejected said they planned to submit applications for financial assistance to the Agency in the future.

Recommendation

Although the rejection rate for applications for financial assistance submitted under the Program was low, the level of satisfaction could be increased along with a continuing drop in the client rejection rate if two sets of additional measures were taken: first, provide more support for clients submitting applications to Agency programs for the first time; second, in cases of rejection, adopt a personalized approach that includes meeting with the clients in person and offering assistance for the preparation of future projects.

3.2.7 Main characteristics of RSI Program clients

An important factor in implementing a program is knowing the characteristics of the clients concerned.

What then were the main characteristics of RSI Program clients? About four out five applications for financial assistance that were accepted (79.6%) were submitted by organizations⁴ (see Table 4, next page). These results were not surprising because RSI Program activities are intended to be upstream from the IDEA-SME Program. In short, the RSI Program is not intended solely to induce companies to take advantage of business opportunities, but also to induce companies or organizations to identify and take advantage of opportunities to restructure regional economies. The target clientele of the RSI Program therefore includes more organizations than companies because the restructuring of regional economies is more a concern of stakeholders in organizations than it is of owners of companies.

The percentage of organizations carrying out projects under the RSI Program was 98% in the International Influence category and 81.4% in the case of Tourism Development category projects. Companies carried out 30.6% of the Technology Development category projects, compared with 2.0% of International Influence category projects.

Finding

Over three quarters of approved applications for financial assistance under the RSI Program were submitted by organizations.

Table 4 Breakdown of Approved Applications for Financial Assistance by Type of Client and Activity Category

Activity category	<i>N</i>	<i>Companies</i> %	<i>Organizations</i> %
Technology Development	134	30.6	69.4
Tourism Development	113	18.6	81.4
International Influence	51	2.0	98.0
Regional Adjustment	86	22.1	77.9
TOTAL	384	21.4	78.6

Source: GMAX Financial Management System

Agency assistance took the form of non-refundable contributions in the case of 305 out of 384 projects (79.4%) (see Table 5). The total amount allocated for this type of contribution was \$173,111,530. The total amount allocated for the 79 refundable contributions was \$66,649,817. Refundable contributions most often went to projects in the Technology Development and Regional Adjustment categories where the highest percentages of business clients were involved.

⁴ The organization category included educational institutions, institutes, public organizations, such as municipalities, Crown corporations and Aboriginal band councils or communities.

Table 5 Breakdown of Refundable and Non-Refundable Contributions by Activity Category

<i>Activity Category</i>	N	<i>Agency Contribution</i>	
		<i>Non-Refundable</i> %	<i>Refundable</i> %
Technology Development	134	70.1	29.9
Tourism Development	113	82.3	17.7
International Influence	51	98.0	2.0
Regional Adjustment	86	79.1	20.9
TOTAL	384	79.4	20.6

Source: GMAX Financial Management System

Two thirds of the telephone survey respondents with projects in the technology development, tourism development and regional adjustment categories said they had previously received Agency financial assistance for projects carried out prior to their RSI Program project. The percentage was slightly below 40% for clients with projects in the International Influence category.

Finding

It was found in the analysis of Program client data that the RSI Program reached organizations and companies that varied enormously in terms of the financial and human resources at their disposal and in terms of the total cost of projects carried out with Agency contributions. This finding suggests that the RSI Program is appropriate for serving a wide variety of clients. It is a Program strength that must be maintained in the future because the circumstances and requirements of companies and organizations involved in regional development vary considerably from one company to another, from one organization to another and from one region to another.

3.2.8 Project implementation

For three quarters of the 179 clients contacted in the telephone survey, projects were carried out according to a set schedule. For the remaining quarter of the projects, delays were most often attributable to two factors, regardless of activity category and region: (1) project financing problems, such as *lack of secure financing*, lack of funds and delays in obtaining funds; and (2) lack of co-operation between partners, lack of consensus and problems in organizing working groups and working subcommittees, and problems in synchronizing partners' activities. Three quarters of the 41 clients with these problems were carrying out projects involving studies, marketing and promotion activities and start-ups and expansions.

The advisers' participation seemed to make a difference in terms of meeting project deadlines. A large percentage of clients who said their projects had not met Agency approved deadlines said that Agency

advisers had participated slightly less often as observers at meetings and in activities.

The telephone survey found that between 85% and 90% of projects stayed within Agency approved budget estimates. The various reasons given for variances from estimates can be summed up into one common reason: *changes arising from circumstances*. Projects particularly affected were studies, marketing and promotion activities and start-ups or expansions.

Recommendation

Although a very high percentage of projects were carried out on schedule and within Agency approved budget estimates, somewhat more serious problems in projects involving studies, marketing activities and start-ups and expansions could be mitigated by encouraging Agency advisers to participate more regularly in these projects.

3.2.9 Program improvement options

The telephone survey respondents provided about 40 comments and suggestions with regard to the Program and wanted to see improvement in the areas of service delivery and Program management procedures. For service delivery, they wanted:

- better guidance and monitoring provided by advisers;
- shorter processing times for applications for financial assistance and claims;
- better information on claim procedures.

With regard to Program management procedures, they wanted:

- less bureaucratic Program management;
- project approval requirements that were more flexible and involved less administrative paperwork;
- Program criteria better tailored to their needs.

3.2.10 Program output

The immediate impact of RSI Program activities is output—in other words, the operational results that make it possible to achieve Program objectives. Various projects were eligible for the RSI Program. These types of projects (or activity codes) are outlined below, along with the financial contributions authorized by the Agency and the total costs of projects.

The objective of the Technology Development category is to increase technological capabilities in the regions in order to promote the use of the most appropriate technologies by small and medium-size businesses (SMEs). The types of activities most often carried out (see Table 6, next page) are the following, in descending order of importance: projects to set up, expand and renovate facilities (26.9%), studies (20.9%) and support for organizations (18.7%).

The objective of the Tourism Development category is to enhance the potential to attract international tourists by increasing the supply of tourism products, strengthening capabilities to attract and retain tourists and promoting the development of innovative tourism products. There were 113 projects authorized. The types of activities most often carried out in the Tourism Development category were events (25.7%), start-up and expansion projects (23.9%) and marketing and promotion activities (26.8%).

The objective of the International Influence category is to increase capabilities to attract international activities and to support participation in commercial promotion activities abroad. There were 51 approved projects. In descending order of importance, the types of projects allocated financial assistance were: events, (27.5%), support for organizations (21.6%) and marketing and promotion activities (19.6%).

The objective of the Regional Adjustment category is to identify new ways of developing natural and human resources in communities, promoting the emergence of the relationship economy (networks and alliances), supporting the development of microbusinesses, promoting the development of regional and trans-regional infrastructure, and including rural areas in the new economy. There were 86 projects accepted. Activities that most often received funding were studies (22.1%), start-up and expansion projects (19.8%), development-related projects (11.6%) and other projects (11.6%).

The following statistical compilation shows that the types of projects varied considerably from one category to another. However, activities related to market studies, business plans and action plans and activities associated with projects to set up, expand or renovate facilities were more numerous in all categories. Marketing and event-organizing activities stood out among Tourism Development and International Influence projects, while projects in the Technology Development category tended to involve innovation, R&D and design activities. These similarities and differences suggest that the RSI Program is appropriate for meeting a wide variety of needs in the regions both in terms of development categories and of activities to be carried out to provide support for projects in these categories. It is a Program strength that must be maintained.

Table 6 Breakdown of Types of Projects by Activity Category

<i>Type of Project</i>	<i>Technology Development</i>	<i>Tourism Development</i>	<i>International Influence</i>	<i>Regional Adjustment</i>	<i>Total</i>	
	%	%	%	%	%	N
Event	3.0	25.7	27.5	2.3	12.8	49
Study	20.9	13.3	11.8	22.1	17.7	68
Innovation, R&D or design	12.7	4.4	2.0	2.3	6.5	25
Marketing/promotion	2.2	16.8	19.6	7.0	9.9	38

Event	3.0	25.7	27.5	2.3	12.8	49
Training/ apprenticeships	0	0.9	3.9	4.7	1.8	7
Development context	3.7	8.0	3.9	11.6	6.8	26
Entrepreneurship	0.7	0	0	10.5	2.6	10
Start-up/expansion	26.9	23.9	5.9	19.8	21.6	83
Support for organizations	18.7	2.7	21.6	8.1	12.0	46
Other	11.2	4.4	3.9	11.6	8.3	32
TOTAL	100.0	100.0	100.0	100.0	100.0	384

Source: GMAX Financial Management System

The types of projects (activity codes) carried out under the Program were usually not designed to increase interaction between regional businesses and socio-economic players or to increase learning through co-operation when the projects were implemented. European programs comparable to the RSI Program achieve this objective of increased interaction and learning by supporting intermediating organizations with specific mandates to increase interaction and learning. A certain number of intermediating organizations that received Agency contributions are exemplary cases that could serve as models.

Other innovative programs similar to the RSI Program that we studied and a survey of the recent work carried out by experts on the development of creative environments attach decisive importance to activities that help increase interaction (networks, partnerships, co-operation and consensus building) and learning (through co-operative R&D, the setting up of shared technology platforms and customized co-operative training programs). Increased interaction and learning are part of RSI Program objectives. The proactive behaviour of Agency advisers created interaction and partnerships during the development of projects submitted under the Program.

Table 7 provides a percentage breakdown of financial contributions by type of project and activity category. Some types of projects tended to be concentrated in certain activity categories. Nearly half of the Agency's financial contributions were allocated to Tourism Development projects. Events were concentrated mainly in the Tourism Development category (85.6%) and, to a lesser extent, in the International Influence category (12.1%). Projects involving studies usually fell into the International Influence (66.5%) and Technology Development (16.8%) categories. Note that most innovation, R&D and design-related projects were in the Technology Development (76.7%) and Tourism Development (20.8%) categories. Projects involving marketing activities were divided as follows: Tourism Development (41.3%), Regional Adjustment (24.1%) and International Influence (23.8%).

Table 7 Breakdown of Agency Financial Contributions by Type of Project

<i>Type of Project</i>	<i>Technology Development</i>	<i>Tourism Development</i>	<i>International Influence</i>	<i>Regional Adjustment</i>	<i>Total</i>	
	%	%	%	%	%	\$ (000)
Event	1.5	85.6	12.1	0.8	7.5	18,034
Study	16.8	8.1	66.5	8.7	4.0	9,621
Innovation, R&D or design	76.7	20.8	0.2	2.3	6.6	15,941
Marketing/promotion	10.8	41.3	23.8	24.1	5.7	13,556
Training/apprenticeships	-	23.1	18.8	58.1	0.2	542
Development context	14.0	3.1	7.3	75.6	5.3	12,730
Entrepreneurship	2.5	-	-	97.5	0.3	721
Start-up/expansion	21.3	46.5	16.3	15.8	44.7	107,060
Support for organizations	53.7	11.8	25.5	9.0	7.9	18,999
Other	10.2	17.9	56.5	15.5	17.8	42,558
TOTAL	22.8	35.7	24.7	16.9	100.0	239,761

Source: GMAX Financial Management System

Overall, the Agency's average contribution for all RSI Program projects was \$624,378 (see Table 8 below). The Agency's financial contribution varied per activity category. It was higher than average for projects in the International Influence (\$1,161,662) and Tourism Development (\$754,759) categories, but lower than average for Regional Adjustment (\$470,882) and Technology Development (\$408,470) projects.

As for the total cost of projects, the Tourism Development category was found to have the highest total and average costs⁵, followed by International Influence and Technology Development projects, and lastly Regional Adjustment projects.

⁵ This was mainly attributable to a project with a total cost of \$499,000,00.

Table 8 Breakdown of Agency Financial Contributions and Total Project Costs by Activity Category

<i>Activity Category</i>	<i>N</i>	<i>AGENCY CONTRIBUTION</i>		<i>PROJECT VALUE</i>	
		<i>Average (\$)</i>	<i>Total (\$)</i>	<i>Average (\$)</i>	<i>Total (\$)</i>
Technology Development	134	408,470	54,734,935	1,856,378	248,754,653
Tourism Development	113	754,759	85,287,803	7,695,006	869,535,782
International Influence	51	1,161,622	59,242,730	3,050,116	155,555,915
Regional Adjustment	86	470,882	40,495,879	1,445,310	125,156,712
TOTAL	384	624,378	239,761,347	3,643,237	1,399,003,062

Source: GMAX Financial Management System

3.3 In terms of Program impact

To determine Program impact, the impact of each Program category was first examined, then the overall impact of the Program. Several projects had not been completed at the time of the evaluation, which affected the scope of the results, while several projects are expected to have long-term spinoff effects in line with Program objectives.

3.3.1 Impact of Technology Development projects

Questions were asked in the telephone survey to qualitatively estimate the extent to which projects had helped or would help to produce four specific outcomes in line with technology development. The answers to these questions showed that:

- 82% of respondents said that their projects had helped or would help in a significant or fairly significant way to disseminate and transfer technological knowledge to businesses and develop a product, service, process or practice;
- 70% of respondents said their projects had helped or would help to promote co-operation between companies, universities, CEGEPS or government research centres and R&D activities;
- 64% of respondents felt that their projects had helped or would help in a very significant or fairly significant way to carry out training activities related to the use of advanced technology;
- A little over half of the respondents thought their projects had helped or would help in a very significant or fairly significant way to carry out demonstration projects related to the use of advanced technology.

What were the main results after completion of these projects?

Events: Events organized as part of technology development projects included information and awareness activities, activities promoting interconnectivity, networking and partnerships. Five of the six events were held during the survey. Overall, these events attracted about 2,750 people. For half of the respondents, these results met or exceeded their expectations.

Studies: Studies carried out as part of technology development projects were most often feasibility studies and strategic plans or business plans. Eight out of eleven studies were completed. For respondents, the main short-term results of the studies were the following:

- Demonstrated the existence of a market and potential financing;
- Marketing of a new product;
- An export initiative set up;
- Growth in a business;
- Research team set up to develop a new product;
- Businesses made aware of an innovation-related initiative.

Marketing and promotional activities: Four out of eight projects involving marketing or promotional activities in the technology development category resulted in the signing of sales contracts for new markets. These sales contracts with an approximate value of \$2.75 million helped develop new markets in Europe, the United States, other Canadian provinces and other Quebec regions.

Innovation, R&D and design activities: Ten projects involving innovation, R&D and design activities were approved. Four of these projects were set up to disseminate and transfer scientific and technological knowledge to businesses and develop a product, service, process or practice. Two projects were set up to promote co-operation between companies, universities, CEGEPS and government research centres in order to carry out R&D activities. Lastly, two projects were set up to carry out training activities: one related to the use of advanced technology, the other involving demonstration projects related to the use of advanced technology.

Four of these projects were completed during the survey. The main short-term results of these projects were as follows: companies were provided with information; better products were developed; and technology development players shared information.

Start-up and expansion projects: Ten start-up and expansion projects in the technology development category were approved. Three involved the expansion or renovation of a plant or existing facility; four involved the acquisition of production equipment, two involved the development of a regional asset, and one involved an extension to a building used as an incubator.

All of the projects were completed. The main short-term results of these projects were to maintain and

create jobs. In eight projects, 236 existing jobs were maintained, while in nine projects, 375 new jobs were created.

Support activities for organizations: The Agency approved seven projects. In five cases, Agency financial assistance helped pay the upkeep and operating expenses of five organizations. Agency financial assistance was also used to set up new activities or services with other partners and to hire a resource person.

Six of the organizations provided with Agency support are currently providing services. Two of the projects are helping to develop strategies for marketing, electronic commerce, technology transfers or technology incubating. At the time of the survey, services had been provided for 124 companies. In another project, export and innovation awareness activities were set up, information was disseminated and best practices were monitored in order to help develop attitudes and skills in these areas.

Training and apprenticeship activities: According to the respondents for the technology development projects, one apprenticeship program was set up, which attracted 30 participants.

Entrepreneurship promotion activities: One respondent had organized an entrepreneurship promotion and development activity, which led to the setting up of a company at the time the survey was conducted.

3.3.2 Impact of Tourism Development and International Influence projects in Quebec regions

For the purposes of this report, the Tourism Development and International Influence categories were combined. In the telephone survey, clients were asked to estimate the extent to which their projects had helped or would help produce seven specific impacts in keeping with tourism development and international influence.

Finding

80% of respondents said their projects had helped in a very significant or fairly significant way to increase their region's potential to attract international tourists.

- Over 80% of respondents said their projects had helped or would help in a very significant or fairly significant way to increase their region's potential to attract international tourists, increase the number of tourists coming to their region from outside Quebec and from abroad, and increase their region's ability to retain tourists.
- Close to 70% of respondents said their projects had helped or should help in a very significant or fairly significant way to develop an innovative tourism product;
- Two thirds of respondents felt their projects had helped or would help in a very significant or fairly

significant way to get international partners involved;

- Just over 60% said their projects had helped or would help in a very significant or fairly significant way to increase the participation of their region or their region's companies in shows and exhibitions;
- Slightly less than half of respondents thought their projects had helped or should help in a very significant or fairly significant way to extend the tourism season in their region.

Events: Twenty-three Tourism Development and International Influence category projects in Quebec regions involved organizing an event. When the survey was conducted, most of the scheduled events had been held.

These events attracted over 780,000 people. The results of half of these events met or exceeded respondents' expectations. Respondents who reported results below expectations gave various reasons, such as overly high expectations, lack of support, delay in receiving the Agency contribution and the terrorists attacks of September 11, 2001 in the United States, which affected travel abroad.

Studies: Five of eleven studies carried out in connection with the Tourism Development and International Influence categories in Quebec regions involved feasibility studies and strategic plans or business plans. Four involved a strategic plan or business plan, and two an action plan.

Nine out of eleven studies had been completed when the survey was conducted. The main short-term results of these studies were positive. The studies were used in particular to build a new film studio and to demonstrate that there was a market for a cultural project and a need to obtain additional financing.

Marketing and promotion activities: Seventeen projects were set up to organize marketing or promotional activities for tourism events, products or regions. In descending order, the main markets targeted were Europe, the United States, other Canadian provinces and other Quebec regions.

Over 70% of respondents felt that marketing and promotional activities had helped attract more tourists. A higher percentage of respondents for projects in which the activities targeted the United States (83.3%) said that they had attracted tourists. Next in line were respondents whose projects targeted Europe (75%), other Canadian provinces (75%), other Quebec regions (66.7%) and other countries (58.3%). The respondents estimated that tourists had spent over \$122 million.

Innovation, R&D and design projects: A single project had been approved. It had been completed and had helped bring about technological innovation in the sound and lighting for a multimedia concert.

Start-up and expansion projects: Sixteen start-up and expansion projects had been approved. Six of these projects involved setting up or building a new tourism facility. Two projects involved expansions of existing facilities, equipment repairs, or improvements to or development of a tourism site or tourist attraction.

Twelve projects had been completed at the time of the survey. The main short-term results of these projects were the setting up and renovation of museums, extensions to tourism accommodation (inns and chalets), construction of stages and grandstands for outdoor concerts, and improvements to various components of an eco-village project.

Support activities for organizations: Agency financial assistance in the Tourism Development and International Influence categories in Quebec regions was used to pay for the upkeep and operating expenses of an organization and, in the case of two projects, to set up new activities or new services, either alone or with other partners.

Three of the organizations given Agency support are currently providing services, which, in terms of services for Quebec regions, pertain specifically to the International Influence category: development of marketing strategies and business plans, diagnostic studies and export-awareness activities. According to survey respondents, services were provided for 625 companies.

Training and apprenticeship activities: One apprenticeship program, which attracted 12 people, was integrated into Tourism Development and International Influence projects for Quebec regions.

3.3.3 Impact of Regional Adjustment projects

Respondents were asked in the telephone survey to estimate the extent to which their projects had helped or would help produce seven specific impacts associated with improving regional adjustment capabilities.

- Close to two thirds of respondents thought their projects had helped or should help in a very significant or fairly significant way to develop a regional product (68%), set up businesses (65%) and identify new ways to develop natural and human resources in clients' regions (63%);
- Between 55% and 60% of respondents felt their projects had helped in a very significant or fairly significant way to integrate new technology (61%), develop business networks and alliances (59%) and develop regional infrastructure (58%).

Events: Three projects providing support for regional adjustment capabilities involved the holding of events. One of these projects helped produce a television series; the second helped organize a regional entrepreneurship week; and the third helped market a theatre festival.

Studies: Approval was granted for ten projects that involved carrying out studies and provided support for regional adjustment capabilities. Eight of these studies were feasibility studies for setting up an industrial park. One project involved the drafting of a strategic plan for developing a tourism product, while another involved exploratory visits to develop farm tourism.

Two studies had been completed at the time of the survey. The main short-term results included

demonstrating the economic viability of a project and the development and consolidation of strategic alliances.

Marketing and promotional activities: Four projects providing support for regional adjustment capabilities led to the organizing of marketing or promotional activities. The main targeted markets in descending order were other Canadian provinces, other Quebec regions, the United States, Europe and other countries. At the time of the survey, none of the marketing or promotional activities had yet resulted in the signing of sales contracts for new markets.

Innovation, R&D and design activities: Five projects related to innovation, R&D and design activities were approved in the Regional Adjustment category. The main results of these projects were confirmation of expectations and specifications with respect to certain development issues.

Start-up and expansion activities: Eleven start-up and expansion projects were approved. Eight projects involved the expansion or renovation of a plant or public infrastructure; two projects involved the acquisition of production equipment; and one project involved a feasibility study for setting up a research institute.

Activities in support of organizations : Agency financial assistance in support of regional adjustment capabilities was used to pay the upkeep and operating expenses of an organization, which is currently providing services.

Entrepreneurship promotion activities: Two respondents organized entrepreneurship promotion and development activities, while another organized business start-up assistance activities. At the time of the survey, these activities had not resulted in setting up businesses.

3.3.4 Impact of projects on employment

Generally speaking, the telephone survey respondents said that Agency financial contributions had helped to create 2,508 jobs and maintain 1,600 other jobs (see Table 9, next page). Variations were noted in the job creation and maintenance results broken down by activity category. Jobs were created, in particular, in Technology Development, Tourism Development and Regional Adjustment projects. Jobs were maintained mostly in Tourism Development and Regional Adjustment category projects. Relatively few jobs were created or maintained in International Influence projects. However, these estimates should be interpreted with care given that it is not always easy for clients to distinguish between the results produced by Agency contributions and those produced by their own resources and those of other financial partners.

Table 9 Breakdown of Total and Average Numbers of Jobs Created and Maintained by Activity Category

Activity Category	N	Jobs created	Average	N	Jobs maintained	Average
Technology Development	28	914	32.6	16	173	10.8
Tourism Development	33	818	24.8	31	737	23.8
International Influence	10	95	9.5	12	145	12.1
Regional Adjustment	25	681	27.2	17	545	32.1
TOTAL	96	2,508	26.1	76	1,600	21

Source: Telephone survey of RSI Program clients

Finding

Based on information provided by the telephone survey respondents, more jobs were created in Technology Development, Tourism Development and Regional Adjustment projects, and the highest numbers of jobs maintained were in Regional Adjustment and Tourism Development projects.

3.3.5 Incentive aspect of financial assistance

The incentive aspect of financial assistance is always difficult to measure. There are two main approaches: (1) analyse the perceptions of Program beneficiaries, and (2) analyse facts pertaining to whether the Program did or did not help to carry out projects and mobilize additional financial or non-financial support for projects.

First, clients were asked to assess the incentive aspect of the financial contribution. Table 10 on the next page sets out the perceptions of survey respondents. Overall, the main incentive effect of Agency financial assistance was to speed up projects (37.3%) and, secondly, to provide a leverage effect for obtaining additional financing (35.0%). Other factors were cited by over 20% of the respondents. There were 13% who said that Agency financial assistance had promoted their projects to other partners (mobilizing effect). As for activity categories, it was found that projects were speeded up more in the Regional Adjustment (44.8%) and Tourism Development (41.8%) categories. The leverage effect was greater in Technology Development projects (43.6%), while the mobilizing effect was greater in International Influence projects (20.8%).

Table 10 Breakdown by Activity Category of Survey Respondents' Perceptions of the Incentive Aspect of Agency Financial Contributions

<i>Type of Project</i>	<i>Technology Development</i>	<i>Tourism Development</i>	<i>International Influence</i>	<i>Regional Adjustment</i>	<i>Total</i>	
<i>Financial assistance helped to:</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>N</i>	<i>%</i>
Speed up the project	32.7	41.8	25.0	44.2	66	37.3
Promote the project to other partners	10.9	10.9	20.8	14.0	23	13.0
Create a leverage effect for obtaining financing	43.6	32.7	33.3	27.9	62	35.0
Other	12.7	14.5	20.8	14.0	26	21.6
TOTAL	100.0	100.0	100.0	100.0	177	100.0

Source: Telephone survey of RSI Program clients

Using the second approach, the incentive aspect of financial assistance was examined by analysing the follow-up on projects that had been rejected. It was found that two thirds of the 29 respondents whose projects had been rejected had carried on with their projects despite not receiving an Agency financial contribution. These projects denied Agency financial contributions were implemented within set deadlines in 80% of cases.

Reasons given as to why the remaining 20% of the projects took longer to carry out included delays in obtaining financing, delays caused by financial insecurity and delays in preparing plans. In addition, nearly two thirds of respondents whose projects had not received Agency financial contributions said their projects had been implemented to the same extent had they received Agency support. Lack of financial support was essentially the main reason given for scaling back projects.

Despite the small number of cases, these facts suggest that RSI Program contributions, although marginal, help to carry out regional development projects, which would not be carried out otherwise, or help carry out projects faster or with greater scope, which would otherwise take longer to carry out and would have a smaller scope. In other words, the Program's incentive aspect is relatively significant. A third of the respondents whose projects had been rejected said their projects could not be carried out.

3.3.6 Leverage effect

The 179 Program clients who participated in the telephone survey said that, in addition to obtaining an Agency contribution for their projects, they had obtained financial contributions from several other financial partners for their projects. The Agency was the most important financial partner in RSI Program projects, regardless of project categories and regions, while financial institutions were the

second most important partners.

A broad range of financial partners were therefore involved in projects that received contributions under the RSI Program. It was learned in the group interviews with clients who had received financial contributions that the Agency contribution was most often the contribution that helped raise contributions from other financial partners.

Table 11 shows the leverage effect for each Program activity category. The Agency sought to maximize the leverage effect⁶ of its contributions by ensuring that each dollar invested by the Agency generated a maximum direct investment by clients and other financial partners. Overall, each Agency dollar helped generate close to \$6 of investment by other financial partners. The greatest leverage effect (\$10.20) was produced in the Tourism Development category⁷, followed by the Technology Development category (\$4.54).

<i>Activity Category</i>	<i>N</i>	<i>Total Agency Contribution (\$)</i> (A)	<i>Total Cost (\$)</i> <i>of Projects</i> (B)	<i>Leverage Effect (B/A)</i> (<i>\$</i>)
Technology Development	134	54,734,935	248,754,653	4.54
Tourism Development	113	85,287,803	869,535,782	10.20
International Influence	51	59,242,730	155,555,915	2.63
Regional Adjustment	86	40,495,879	125,156,712	3.90
TOTAL	384	239,761,347	1,399,003,062	5.83

Source: GMAX Financial Management System

3.3.7 Mobilizing effect

RSI Program impacts are not solely financial. It was found in the survey of 179 clients whose applications for financial assistance had been approved by the Agency that 129 (72.1%) of them had also worked in partnership with non-financial partners. Clients with projects in the Technology Development and Tourism Development categories tended much more frequently than others to team up with non-financial partners in order to carry out their projects.

Who were these non-financial partners? Most often they were private-sector companies, followed in second place by university or government research centres, and in third place by organizations involved

⁶ The leverage effect is calculated both for projects whose proponents are companies and for projects whose proponents are organizations.

⁷ Attributable to a project with a total cost of \$499,000,000.

in economic development or promoting innovation and technological change. RSI Program projects therefore usually fostered the participation of a wide variety of non-financial partners.

Finding

The RSI Program has a very significant mobilizing effect that helps increase co-operation between regional economic development players.

Another not insignificant effect is the proponents' satisfaction or achievements upon completion of their projects. Given that one of the Program objectives is to increase the ability of regions to take charge of their development, the evaluators thought it would be relevant to ask initial parties concerned what they thought they had achieved through their projects. In reply, many survey respondents mentioned aspects they were most proud of. Over 24 respondents cited as a source of pride the fact that they had completed the project. Others said that the success of their projects had helped demonstrate to the community that the region could be developed. For some, the projects were a development tool that helped, for example, to position a region, an event or a company. Job creation and new businesses were also a source of pride for various respondents. Similarly, respondents were proud that their projects had contributed to the growth of businesses. None cited as a source of pride their having contributed to the development of innovations or new markets, setting up or renovating community infrastructure, expanding or sharing knowledge or enhancing the international influence of their region or event. Some respondents said they gained satisfaction from co-operation between various partners or from having obtained an Agency financial contribution.

3.3.8 Growth-generating impact of Agency support

Projects supported by the RSI Program were found to have concrete effects on two levels: first, a broad range of effects produced by activities in each of the four activity categories; second, leverage or mobilizing effects produced by Agency contributions to RSI Program projects. However, the RSI Program is also intended to produce effects on a third level, ie, growth-generating effects on regional development conditions.

It is particularly difficult to directly measure a program's growth-generating impact because many projects, because of their progress status, have not all provided the anticipated results. However, much of the data gathered for the evaluation provided indirect measurements of the RSI Program's growth-generating impact.

The conclusion reached in recent work carried out by experts is that there are two types of growth-generating conditions for regional development and, in particular, for development in innovative regions:

- emergence and strengthening of interactive processes (networks, partnerships, co-operation and consensus-building) between socio-economic players; and
- emergence and strengthening of learning processes (co-operative R&D, contract-based R&D, shared technology platforms, R&D centres, etc) shared between socio-economic players.

Information gathered for the evaluation from clients who had or had not received an Agency financial contribution showed that the RSI Program had a significant growth-generating impact on the emergence and strengthening of interactive processes in several additional ways:

- First, by encouraging clients to prepare their projects in co-operation with other organizations in their regions;
- Second, by encouraging clients to obtain the financial and non-financial participation of several regional organizations to carry out their projects;
- Third, by carrying out activities that produce interaction between socio-economic players who would not interact with one another without the clients' projects. The RSI Program therefore has a very significant growth-generating impact on the emergence and strengthening of interactive processes between regional socio-economic players.

These growth-generating impacts are all the more significant in that an increase in the interactive skills of socio-economic players improves their ability to take advantage of development opportunities in their regions, not only in the short term, but also in the medium and long terms. The ability of socio-economic players to work together is the first necessary condition for bringing about the emergence of endogenous regional development processes.

Finding

RSI Program projects have a significant growth-generating impact in that they improve interactive processes (networking) and learning processes (skills), thereby helping to create two necessary conditions for bringing about the emergence and strengthening of endogenous regional development processes.

Projects supported under the RSI Program have also had a growth-generating impact on the emergence and strengthening of learning in several additional ways in that they provide support for projects carried out in partnership by clients and other players that concern feasibility studies, development plans, innovation activities, R&D and design, training and apprenticeship activities, and entrepreneurship promotion activities. Although we have no data to help accurately compare the Program's impact on the structuring of interactive processes with the Program's impact on the structuring of learning processes, the information collected in the telephone surveys and interviews suggested that slightly less attention has been devoted to the structuring of learning processes than to the structuring of interactive processes. The ability of socio-economic players to learn individually and as a group is the second necessary condition for bringing about the emergence of an endogenous regional development process. Although all of the experts attach more and more importance to learning processes, performance indicators in this area are still rare.

Recommendations

1. As with similar programs, the RSI Program must maintain its objective to restructure endogenous development conditions in the regions by helping socio-economic players improve interactive processes (networking) and learning processes (skill development).
2. The Agency should consider acquiring specific indicators of increased interaction and learning. This task could be assigned to the Agency's Quality and Review Directorate, which could also consider providing training sessions on this topic for Agency advisers and managers.

4. CONCLUSIONS**4.1 Main findings and recommendations with regard to Program relevance**

Clients felt that the restructuring needs of regional economies were growing and would require additional financial resources in the future.

The RSI Program is sufficiently flexible to meet the wide variety of economic restructuring requirements that exist from one region to another and the wide variety of needs within regions.

Compared with regional development programs in effect in Europe, the RSI Program belongs to a small group of innovative programs that target regions rather than companies and support the development of innovation skills rather than production inputs.

The RSI Program is a more flexible, innovative program than most other programs that encourage both clients and Agency advisers to devote most of their key efforts to regional economy restructuring opportunities.

Recommendation

1. The Agency should set benchmarks for the RSI Program over a three-year period in order to compare it with highly innovative programs set up to improve the socio-economic environment in regions and should pay special attention to the targets and types of support provided by these programs.

4.2 Main findings and recommendations with regard to Program implementation

Clients contacted in the telephone survey believed that one of the unique aspects of the RSI Program was that it encouraged Agency advisers to adopt a proactive approach with clients in the project development phase.

In an exceptional way, the RSI Program has quickly succeeded in bringing about a change of culture whereby Agency regional advisers and managers are encouraged to adopt proactive roles in the development of RSI projects. Regional advisers and managers interviewed for the evaluation said they were very proactive in developing RSI Program projects. Clients contacted for the evaluation confirmed that Agency advisers and managers had played a proactive role in developing their projects.

Agency advisers behaved very proactively in the project preparation phase, not only with clients whose applications for financial assistance had been accepted, but also with clients whose applications for financial assistance had been rejected.

One of the key lessons learned in the evaluation is that the proactive role expected of Agency advisers under the Program is successful because the Program was launched on the basis of competent advisers, who have set up diversified networks of contacts in their regions and gained the trust of regional development stakeholders.

Over 90% of clients whose applications for financial assistance had been accepted were satisfied with the role played by Agency advisers. The survey of RSI Program clients found that clients were satisfied with approval times for projects submitted to the Agency. The discussion groups held in five Quebec cities also made clear that clients as a whole considered the Agency's project analysis and approval procedures prompt and straightforward.

Three quarters of RSI Program projects were carried out by organizations. In the analysis of Program client data, it was found that the RSI Program reached organizations and companies that varied enormously in terms of the financial and human resources at their disposal and in terms of the total cost of projects carried out with Agency contributions. This finding suggests that the RSI Program is appropriate for serving a wide variety of clients. This is a Program strength that must be maintained in the future because the circumstances and needs of companies and organizations involved in regional development vary considerably from one company to another, from one organization to another and from one region to another.

Recommendations

2. The RSI Program's proactive approach is a tool for mobilizing regional players and regional development stakeholders that must be maintained in the coming years. Although the level of satisfaction of Program clients is very high, the Agency could still slightly increase client satisfaction by setting up measures that might reduce approval times for projects of more than \$100,000 and approval times for projects involving training/apprenticeship activities and innovation, R&D and design activities.
3. Although a very high percentage of projects are carried out according to Agency approved schedules and budget estimates, somewhat more serious problems (often beyond the Agency's control, such as approval times of other financial partners) that arise in projects involving studies, marketing activities and start-ups and expansions, should be pointed out in activity reports submitted at regular intervals determined by both parties (proponents and organizations) to the Agreement.
4. As with other innovative programs similar to the RSI Program, the Agency should, in the case of the RSI Program, attach greater importance in the future to activities involving regional companies and socio-economic stakeholders that help increase economic activity or empower economic players not only during project development, but also during project implementation.

4.3 Main findings and recommendations with regard to Program impact

More jobs were created in Technology Development, Tourism Development and Regional Adjustment projects, while the greatest number of existing jobs maintained were in Regional Adjustment and Tourism Development projects.

Agency contributions have a very considerable financial leverage effect on other financial partners active in regional development.

The RSI Program has a very significant mobilizing effect on co-operation between regional economic development players.

RSI Program projects have a significant growth-generating impact in that they improve interactive processes (networking) and learning processes (skills), thereby helping to create two necessary conditions for the emergence and strengthening of endogenous regional development processes.

However, because several projects were not completed at the time of the survey (see page 8, *Scope and Limitations*) and given the reporting period (four years), it is difficult to say what the RSI Program's long-term effects are on regional development. In the next evaluation of the RSI Program, efforts should be made to measure the Program's long-term impact.

Recommendations

5. As with similar programs, the RSI Program must continue with its objective to restructure conditions for endogenous regional development by making it a priority to approve applications for financial assistance for projects that help socio-economic players improve interactive processes (networking) and learning processes (skill development).
6. The Agency should consider acquiring specific indicators of increased interaction and learning. This task could be assigned to the Agency's Quality and Review Directorate, which could also consider providing training sessions on this topic for Agency advisers and managers.
7. Since it is difficult to say what the RSI Program's long-term effects will be and because of the shortness of the reporting period and the large number of uncompleted projects at the time of the survey, the next evaluation of the RSI Program should set out to measure the Program's long-term impact.

5. APPENDIX

Appendix: Interaction and Learning Indicators

It was found in the review of the literature and innovative regional development programs that there are no universal (wall-to-wall) measures that can meet widely varied circumstances of companies and regions. However, the report on recent regional development activities suggests that all regions are currently using two types of mechanisms to support regional innovation and structuring: (1) increased interaction and (2) increased learning.

Increased interaction-related variables and activity indicators

- Support for market networks: links between clients, suppliers and consultants;
- Support for research networks: links with researchers in universities, colleges and publicly funded research centres;
- Support for information networks: promotion of participation in shows and exhibitions, use of Internet databases, patents and conventions:
 - ▶ Existence of a joint venture involving local companies that develops skills for determining shared projects;
 - ▶ Sales made in local areas by local companies specializing in marketing and business services;
 - ▶ Rotation rate of qualified staff in regional firms generates opportunities for co-operation between firms;
 - ▶ Existence of industrial and regional fairs indicates that regional firms have opportunities to learn about their respective skills and set up co-operative relationships;
 - ▶ Sales made by regional research centres can be used to assess definitive relationships relative to technology.

Increased learning-related variables and activity indicators

- ▶ Individual learning through research: support for R&D;
- ▶ Group learning through research: support for R&D in public/private-sector partnerships;
- ▶ Individual learning through practice: support for the use of advanced technology;
- ▶ Group learning through practice: support for demonstrations on the use of advanced technology
- ▶ Learning through interaction: support for setting up and consolidating networks.

Evaluation of Canada Economic Development's RSI Program

Action Plan

Evaluation of Regional Strategic Initiatives (RSI) Program

Evaluation of Canada Economic Development's RSI Program

INFRAS RECOMMENDATION	AGENCY ACTIONS	SCHEDULED COMPLETION DATE	DIRECTORATES RESPONSIBLE
Recommendation regarding Program relevance			
<p>1. The Agency should set benchmarks for the RSI Program over a three-year period in order to compare it with highly innovative programs intended to improve regional socio-economic environments and should pay special attention to the targets and types of support provided by these programs.</p>	<p>Setting benchmarks on a three-year basis does not correspond to Agency and Treasury Board Secretariat procedures for planning evaluations.</p> <p>However, in the next summative evaluation of the RSI Program scheduled for 2005-2006, this benchmarking exercise will be included in evaluation procedures to ensure Program relevance.</p>	<p>April 30, 2003</p>	<p>Quality and Review Directorate (QRD) Action Plan</p>

INFRAS RECOMMENDATION	AGENCY ACTIONS	SCHEDULED COMPLETION DATE	DIRECTORATES RESPONSIBLE
Recommendations regarding Program implementation			
<p>2. The RSI Program’s proactive approach is a tool for mobilizing regional players and regional development stakeholders that must be maintained in the coming years. Although the level of client satisfaction with the Program is very high, the Agency could slightly increase the level of client satisfaction by setting up measures that might reduce approval times for projects over \$100,000 and approval times for projects involving training and apprenticeship and innovation, R&D and design activities.</p>	<p>81.5% of clients whose applications for financial assistance were accepted were very satisfied or satisfied with approval times. The Agency has also established service standards to keep response times to a minimum for financial assistance applications. For projects expected to be allocated a contribution between \$100,000 and \$200,000, the target time is 50 days after receipt of all items necessary for project analysis. For projects eligible for an estimated contribution of more than \$200,000, the target time is 65 days.</p> <p>To reduce these approval times still further, the Agency recently set up measures to speed up the processing of financial assistance applications. The approval process has been reviewed and the integrity sheet and project summary have been revised to make them easier to use and understand.</p>	<p>Already completed</p>	<p>Regional Operations Management Branch (ROMB)</p>

Evaluation of Canada Economic Development's RSI Program

INFRAS RECOMMENDATIONS	AGENCY ACTIONS	SCHEDULED COMPLETION DATE	DIRECTORATES RESPONSIBLE
<p>3. Although a very high percentage of projects are carried out according to Agency approved schedules and budget estimates, somewhat more serious problems (often beyond the Agency's control, such as other financial partners' approval times) that arise in projects involving studies, marketing activities and start-ups and expansions, should be pointed out in activity reports submitted at regular intervals determined by both parties (proponents and organizations) to the Agreement.</p>	<p>According to the telephone survey, three quarters of the projects were carried out according to the set schedule. In other cases, delays were usually caused by delays in obtaining financial commitments from other partners or by changes occurring during project implementation.</p> <p>Agency advisers monitor these projects continuously and satisfactory reasons must be provided for any changes to be made.</p> <p>The contribution agreement management process already provides for regular monitoring that must be carried out with the client in order to obtain relevant information on project status, commitments, estimated expenditures, cash flow requirements and other situations that may have an impact on the progress of the project.</p> <p>A reminder memo will be sent to all advisers asking them to monitor this type of project more closely.</p>	<p>April 30, 2003</p>	<p>ROMB</p>

Evaluation of Canada Economic Development's RSI Program

INFRAS RECOMMENDATIONS	AGENCY ACTIONS	SCHEDULED COMPLETION DATE	DIRECTORATES RESPONSIBLE
<p>4. Like other innovative programs similar to the RSI Program, the Agency should attach greater importance to carrying out activities in which regional companies and socio-economic players work together to increase economic activity or empower economic players, not only when projects are developed, but also when projects are implemented.</p>	<p>Although the Agency already attaches great importance to carrying out these activities, we will pay particular attention to them when developing and updating future RSIs. We will also include this clarification in the next review of the Program management framework.</p> <p>However, we know it is not always possible for our advisers to be as proactive in implementing as they are in developing these projects.</p>		<p>ROMB</p>

Evaluation of Canada Economic Development's RSI Program

INFRAS RECOMMENDATIONS	AGENCY ACTIONS	SCHEDULED COMPLETION DATE	DIRECTORATES RESPONSIBLE
Recommendation regarding Program impact			
<p>5. As with similar programs, the RSI Program must maintain its objective to restructure endogenous development conditions in the regions by making it a priority to approve applications for financial assistance for projects that help socio-economic players to improve interactive processes (networking) and learning processes (skill development).</p>	<p>In the next update of RSIs, the Agency will step up the development of initiatives promoting networking and learning processes among companies and socio-economic players.</p> <p>To meet these objectives, we will promote activities that encourage co-operation and partnership between companies and organizations and projects facilitating the setting up and consolidation of learning processes, such as R&D centres.</p>		ROMB
<p>6. The Agency should consider acquiring specific indicators of increased interaction and learning. This task could be assigned to the Agency's Quality and Review Directorate, which could also consider providing training sessions on this topic for Agency advisers and managers.</p>	<p>As part of the ongoing improvement of performance measurement strategies, the Agency, in co-operation with the directorates concerned, will develop corporate indicators for measuring these two expected results.</p> <p>As part of its annual training program for advisers, the Quality and Review Directorate (QRD) will include information on these indicators in the next training sessions.</p>	<p>Conditional upon actions proposed in Recommendations 4 and 5.</p>	QRD
<p>7. Since it is difficult to say what the RSI Program's long-term effects will be and because of the shortness of the reporting period and the large number of uncompleted projects at the time of the survey, the next evaluation of the RSI Program should set out to measure the Program's long-term impact.</p>	<p>In the next summative evaluation of the RSI Program scheduled for 2005-2006, the Agency will take projects approved in the 1997-2001 period into account in order to measure the Program's long-term impact.</p>	<p>April 30, 2003</p>	QRD