

Canada Economic Development

**EVALUATION OF THE GEOGRAPHICAL  
COVERAGE INITIATIVE**

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**FINAL REPORT**





"Basic coverage" services include reception, referral, accompaniment, studies, public awareness programmes, information and activities as well as promotion and representation to the businesses and entrepreneurs in the municipalities targeted by the basic geographical coverage. The activities realized within the CDP program include technical and financial assistance to businesses and entrepreneurs in decayed regions (zones 7 and 8). Technical assistance consists mainly of informational and consultation activities, updates and support for the strategic planning of financial and technical services to businesses and to the self-employed, as well as support for the implementation of local initiatives. The financial assistance provided by the partner organizations consists of loans, loan guarantees or capital for small businesses.

The data collection process used in the present evaluation consisted in carrying out a survey among the partner organizations (10), discussing with CED agents responsible for the agreements, elaborating a matrix describing the main features of the initiative for the 21 organizations involved and finally carrying out a small survey with selected beneficiaries (30) in order to measure their degree of satisfaction with regard to the assistance received from the organizations.

More than 65 % of the partner organizations received \$50,000 or more per year to offer basic coverage services and/or PDC on the newly-covered territories. Inversely, 35 % of the organizations received less than \$50,000 and more precisely around 22 % of the organizations had amounts less than \$25,000.

The following points provide a snapshot of the activities undertaken by the 21 partner organizations within the Geographical Coverage Initiative :

- 10 organizations indicated having offered reception and referral services in the newly-covered territories;
- 14 organizations indicated having provided accompaniment services and studies to the newly-covered municipalities of their territory;
- 16 organizations indicated having organized information or learning sessions in order to develop the competencies and expertise of the entrepreneurs and businesses on the newly-covered territories;
- Finally, 20 organizations publicized their services through promotional material, local medias and local meetings.

Eight of the 21 partner organizations (around 38 %) had the responsibility to offer access to all CDP

services in some municipalities of their expanded territory. These services essentially consisted in technical and/or financial assistance to beneficiaries. The organizations involved in the provision of such services analysed numerous loan requests and financed different projects.

As is the case for all programs put forth by CED, the Geographical Coverage Initiative is subject to ongoing performance measurement. The requirements are generally specified in the annex 5 of the contracts between the partner organizations and the Agency. This annex is a major component of the yearly reports submitted to CED by the organizations. The information on the expected and actual results was mainly taken from the annual reports produced by the organizations for the ongoing performance measurement of the Geographical Coverage Initiative.

A considerable difference was noted among the organizations with regard to the measures and methods of compilation of annual results. In certain cases, the expected results were clearly identified and numbered in such a way as to allow a direct and coherent comparison with actual results. In other cases, the performance objectives remained vague or inexistent. Nevertheless and despite this disparity, the cross-tabulation of expected and actual results confirms that the great majority of the partner organizations reached or exceeded the objectives that had initially been set.

As for the discussions held with CED agents responsible for agreements with the organizations involved, most parties expressed the following opinion with regard to the Geographical Coverage Initiative :

- A positive impact on the development of businesses of the newly-covered territories, and this primarily for the municipalities that benefit of the PDC services;
- A very positive cost-results ratio;
- A beneficial effect on the positioning of organizations in their respective territories; and
- An indirect positive impact on the generation of synergies between different organizations of the same regions.

However, the stakeholders also identified the following drawbacks :

- A misunderstanding of the performance measurement requirements. This problem was clearly apparent in the present evaluation. As previously noted, the evaluation work was complicated by the disparities among the different organizations in performance measurement and the compilation of annual results;

- The limits imposed by the Geographical Coverage Initiative with regard to the use of funds intended for the provision of basic coverage, on one part, and for CDP services, on the other. In the general opinion, and in the perspective of local and regional development, it is not desirable to restrict the provision of extensive assistance and support services (through the CDP in this case) to a limited number of territories. A broadening of the services offered by partner organizations, to include CDP services, would enable organizations to provide more extensive assistance in the cases where the projects presented and the pool of businesses justifies such interventions. This flexibility in the use of funds will allow the organizations to better adapt their interventions to the type and extent of needs observed in the different zones of their territory.

The survey with beneficiaries of partner organizations through the Geographical Coverage Initiative also showed that:

- 77 % of respondents were businesses and a little less than 50 % had expansion projects;
- 57 % of respondents evolved in the manufacturing, information, culture and leisure, and agriculture sectors;
- 48 % of respondents had sales levels between 0 and \$250,000, and 29 % had sales levels of more than 1 million dollars;
- Out of the 29 interventions financed through the initiative, 26 % consisted in financial assistance and 25 % in reception and referral services;
- 63 % of respondents did not know that they were not covered by the organization prior to September 2000;
- Among these respondents, 50 % had been referred to the program by other organizations on the territory;
- 62 % claim that without the help of the organizations, their project would have evolved at a slower pace and over 24% claim that their project would have failed;
- 87 % of respondents believe they would not have been able to receive the same type of assistance from other organizations in their region;
- 82 % of respondents believe that the organizations should expand their services, in particular with regard to the provision of financial assistance (38 % of respondents); and

- More than three-quarters of the respondents are satisfied or very satisfied with the relationships as well as the services obtained from the organizations within the Geographical Coverage Initiative.

The evaluation of the first 24 months of the implementation of the Geographical Coverage Initiative shows:

- A global positive impact on stakeholders;
- The attainment of performance objectives set by partner organizations;
- A favorable cost-result ratio;
- A misunderstanding of the performance measurement requirements;
- Questioning of the division of the territory;
- A critic of the constraints imposed on the use of funds.

The recommendations that ensue from these points are the following :

- The Geographical Coverage Initiative should be pursued;
- The requirements in terms of ongoing performance measurement should be reviewed, simplified and systemized;
- The identification of the direct beneficiaries of the initiative should be systematized;
- The criteria for the division of the territory should be reviewed to integrate a measure of decay of local businesses;
- A flexibility should be given in the use of the funds allocated through the Geographical Coverage Initiative.

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# 1. INTRODUCTION

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The Geographical Coverage Initiative was launched by Canada Economic Development Agency, hereafter called the Agency or CED, in September 2000 in order to enable the Government of Canada to broaden the scope of its Community Development Program (CDP).

With the participation of three main groups of partners: the Community Futures Development Corporations (CFDCs, also known as Sociétés d'aide aux collectivités or CFDC), the Community Economic Development Corporations (CEDCs) and the Business Development Centres (BDCs), the Community Development Program already provided support for local economic development in more than 60 % of the territory of Quebec prior to this initiative.

Roche Itée., consulting-Group has been mandated to evaluate this initiative in order to provide an appreciation of the Geographical Coverage Initiative since its beginning, through the analysis of 24 months of operation from September 2000 to September 2002.

In addition to this introduction, this report is comprised of five parts. The first section describes the Geographical Coverage Initiative and details its main features and characteristics. The second part presents the methodology used in the present mandate. The third section states the planned and actual outputs of the initiative and the fourth part presents the opinions and perceptions of selected stakeholders on the program. Finally, a conclusion summarizes the main observations of this evaluation and the corresponding recommendations. The interview guides, matrix, and indicators of performance can be found in the appendices.



## 2. PROJECT DESCRIPTION

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This chapter briefly outlines the Geographical Coverage Initiative as well as its main characteristics, which include its goal, targets and main objectives as well as the nature of the intervention and activities undertaken in the course of this project.

### 2.1 GOAL OF THE GEOGRAPHICAL COVERAGE INITIATIVE

**The goal targeted by the Geographical Coverage Initiative was to offer full geographical coverage of all regions of Quebec with respect to the provision of support services in economic development to local residents and entrepreneurs.** Among the new municipalities targeted by this initiative, the most economically decayed were offered all the services included in the CDP.<sup>1</sup> These decayed zones (identified as zones 7 and 8) represented 35 municipalities of the province. In the other cases, the Geographical Coverage Initiative provided basic support in local development to businesses and entrepreneurs in the less decayed municipalities (zones 1 through 6).

### 2.2 PARTNER ORGANIZATIONS

The Geographical Coverage Initiative was implemented **with the participation of 21 organizations including 11 Community Futures Development Corporations (CFDCs), 6 Community Economic Development Corporations (CEDCs), 2 Business Development Centres (BDCs) and two other types of organizations.**<sup>2</sup>

More precisely, the organizations targeted by the initiative and their respective region were the following:

- **Centre-du-Québec**: the territory served by the CFDC of Arthabaska and of Nicolet-Bécancour is expanded to reach a larger population in the decayed zones of the Drummond RCM. The other municipalities in this RCM are served by Fondel Drummond (the Drummondville Laprade fund);

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<sup>1</sup> The Geographical Coverage Initiative is based on a study done by the Korem group to define the regions of the province according to their level of poverty (1 to 8). The lower the indicator, the lower the poverty level. The initiative prioritized interventions in the territories with high poverty levels.

<sup>2</sup> The FONDEL in Drummondville and the SIU in Saguenay.

- **Chaudière-Appalaches**: a new CFDC is created to serve the population in the Lotbinière region. The CFDC of Amiante will help the new CFDC of Lotbinière through the various stages of its establishment and will provide basic services in the interim;
- **Montérégie**: a new CFDC is created (and assisted by the CFDC Bas-Richelieu) to provide the Salaberry-de-Valleyfield region with enhanced access to Canadian governmental programs and services. The territories of the CFDC of Bas-Richelieu and the Acton region are expanded in order to serve the citizens of the new decayed municipalities. The territories covered by the BDC Vallée-du-Richelieu (Beloeil) and by the BDC Haute-Yamaska (Granby) are expanded;
- **Estrie**: the CEDC of Sherbrooke covers two additional zones presenting problems of economic decay within the city of Sherbrooke;
- **Laval-Laurentides-Lanaudière**: the Au-ray CFDC territory is expanded to include Joliette RCM. As for the Achigan-Montcalm CFDC, its territory is expanded to include the municipality of L'Assomption;
- **Outaouais**: basic services coverage to four municipalities in Des Collines RCM with the cooperation of three CFDCs: Vallée-de-la-Gatineau, Pontiac and Papineau. In an urban setting, Hull CEDC's services are extended to a further zone within the city. In Gatineau, the CEDC offers better basic coverage with respect to reception, reference, training and representation services on the territory it currently serves;
- **Montreal**: the territory covered by two CEDCs is extended to reach a larger part of the metropolitan population;
- **Bas-Saint-Laurent**: De la Neigette now offers basic coverage to Rimouski residents;
- **Quebec**: the territories of Charlevoix and Portneuf are expanded. The CRÉECQ is given the mandate to offer its services to various decayed zones within the Quebec City area;
- **Saguenay - Lac-Saint-Jean**: a non-profit organization is created to assist the collectivity in its efforts to ensure that the decayed zones in the Chicoutimi and Jonquière territories benefit from better access to Canadian governmental programs and services.

## **2.3 NATURE OF THE INTERVENTION**

The Geographical Coverage Initiative is composed of two parts. The first consists of supporting and financing "basic coverage" activities provided by partner organizations (CFDC, CEDC, BDC and others) to clients in the newly-covered territories (zones 1 through 6). The other part consists of supporting and financing all CDP services in the most decayed territories (zones 7 and 8).

The financing provided by CED compensates for the additional operational costs associated with the expansion of the territory covered by the partner organizations. In the case of those territories identified as zones 7 and 8, CED contribution also includes a special budget intended to the organization's investment funds in view of additional financing requests generated in the newly-covered municipalities.

## **2.4 TYPE OF ACTIVITIES FINANCED**

### **2.4.1 Basic coverage**

"Basic coverage" services include reception, referral, accompaniment, studies, public awareness programmes, information and activities as well as promotion and representation to the businesses and entrepreneurs in the municipalities targeted by the basic geographical coverage.

### **2.4.2 CDP Services**

The activities realized within the CDP program include technical and financial assistance to businesses and entrepreneurs in decayed regions (zones 7 and 8). Technical assistance consists mainly of informational and consultation activities, updates and support for the strategic planning of financial and technical services to businesses and to the self-employed, as well as support for the implementation of local initiatives. The financial assistance provided by the partner organizations consists of loans, loan guarantees or capital for small businesses.

## 2.5 ONGOING PERFORMANCE MEASUREMENT

As is the case for all programs put forth by CED, the Geographical Coverage Initiative is subject to ongoing performance measurement. The results are presented by partner organizations in a yearly report submitted to CED on the basis of the indicators defined in appendice 5 of their contract with the Agency. It should be noted that the ongoing performance measurement tools provided in appendice 5 only include short- and medium- term indicators.

The performance measurements of partner organizations are mainly based on:

### Short- term results

- The number of meetings or events held to raise awareness within the newly covered territories;
- The number of cases handled for the provision of consulting and referral services as well as assistance in the creation or expansion of businesses; and
- The number of activities undertaken in relation to the development of the socio-economic potential of the region.

### Medium-term results

- The number of jobs maintained and created by the development of local entrepreneurship; and
- The number of projects launched and the number of financial plans elaborated in relation to the development of the socio-economic potential of the region.

Although they do not necessarily appear in every contracts between the partner organizations and CED, these indicators and the expected results are generally identifiable.

## 3. METHODOLOGY

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This chapter outlines the methodology used to evaluate the Geographical Coverage Initiative. The main sections of this chapter describe the general methodological approach and present the questionnaires submitted to the respondents.

### 3.1 DATA COLLECTION PROCESS

The data collection process comprised four independent and complementary exercises whose common objective was to establish a relevant and reliable database for the evaluation. The four stages were:

- Investigation of a sample of partner organizations which participated in the Geographical Coverage Initiative (10 on a total of 21);
- Interviews with CED agents responsible for agreements with partner organizations;
- Elaboration of a database which describes, for each of the 21 organizations participating in the initiative, the nature and range of their activities, their budgets, as well as their expected and actual performance;
- Survey with businesses and entrepreneurs who benefited from the assistance of partner organizations through the Geographical Coverage Initiative in order to measure their level of satisfaction with regard to the services received.

The surveys with organizations and CED agents were conducted in person. The data-gathering period was from February 13th to March 4th, 2003. The satisfaction survey with businesses and entrepreneurs who received services from the organizations involved was conducted by telephone during the week of March 3rd 2003. Some entrepreneurs were also met in person during the interviews with the organizations that had referred them.

### 3.2 SURVEY METHODOLOGY

The following pages outline the methodology used to conduct the evaluation. The corresponding questionnaires can be found in appendices 1, 2, and 3.

### 3.2.1 Questionnaire intended for partner organizations participating in the Geographical Coverage Initiative

The questionnaire aimed at the CFDCs/CEDCs/BDCs and other organizations participating in the Geographical Coverage Initiative was administered to the person in charge of the management and follow-up of this initiative within the sampled partner organizations. The questionnaire was designed to obtain the following informations:

- **Characteristics of the organization:** type of coverage offered, financial contribution, human resources, existence of comparable organizations on the territory and services offered by them;
- **Description of the proposed activities:** type of activity, clientele, extent, result;
- **Results:** expected and actual results per year, per type of activity, and per type of coverage;
- **Perceptions:** appreciation of the impact of the initiative on the collectivity, identification of the strengths and weaknesses of the initiative.

### 3.2.2 Questionnaire intended for the CED agents

This questionnaire was specifically aimed at the CED agents in charge of the agreements with the partner organizations participating in the Geographical Coverage Initiative. This survey methodology aimed at revealing the agents' perceptions with regard to the implementation of the initiative and its impact on the collectivities. The main aspects treated in the questionnaire were:

- **Perceptions:** appreciation of the impacts of the initiative on the collectivities, identification of the strengths and weaknesses of the initiative;
- **Pertinence and efficiency:** appreciation of the relation between the services offered and the clients' needs, appreciation of the cost-performance ratio;
- **Management of the agreement:** appreciation of the managerial components of the initiative (ex: compliance with appendices, follow-up of projects, performance measurement).

### 3.2.3 Questionnaire intended for clients

The questionnaire for recipient businesses and entrepreneurs was directed at the new recipients of the partner organizations participating in the Geographical Coverage Initiative. This survey was done with the businesses, entrepreneurs and others who, beginning in September 2000, had access to the services offered by the CFDC/CEDC/BDC/Others through the Geographical Coverage Initiative.

The main themes discussed with these newly-covered clients included the following:

- **Characteristics of the recipients:** type of recipient, activity sector, sales level;
- **Characteristics of the assistance received:** type of assistance, recurrence, month and year;
- **Knowledge of the initiative:** first contact with the organization, previous knowledge of the Existence of the organizations, knowledge of the aspects related to the geographical coverage;
- **Impacts:** perception of impacts on the access to financial assistance, employment, management and market development;
- **Pertinence:** other programs or organizations solicited, value added by the CFDC/CEDC/BDC/Others;
- **Satisfaction:** satisfaction with regard to the assistance (promotion, persons responsible), the management (treatment of the requests, follow-up procedures) and the type of assistance provided (relationship between the services received and prior expectations, adequacy between the services offered and needs).



## 4. THE ASSESSMENT OF THE INITIATIVE

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The data collected on the organizations presented hereafter are taken from the annual agreements between CED and the partner organizations, from the organizations' annual reports as well as from all other relevant documents, including information on performance measurement and CED's annual report on the Geographical Coverage Initiative. A detailed description of these elements as well as a more complete presentation of each organization participating in the Geographical Coverage Initiative are provided in a matrix in appendice 4. The estimation of impacts on the partner organizations' clients was done on the basis of information collected in the course of the satisfaction survey with a sample of respondents.

### 4.1 BUDGETS ALLOCATED

The operations budget granted to the organizations during the 1st year of the initiative (from September 2000 to March 2001) reached, on average, \$59,953. The maximum contribution offered was \$100,000, while the least amount was \$20,000 \$ for the year. According to the information obtained, 43 % of the participating organizations (or 9 out of 21) benefited of funds for the Geographical Coverage Initiative during this first year.

In the second year, (from April 2001 to march 2002), the average operations budget allocated to each organization decreased to \$57 320, with a maximum of \$265,000 and a minimum of \$5,000. All organizations received funds for the territorial coverage during this year.

Finally, from April 2002 to September 2003 (year 3), the average CED contribution for the Geographical Coverage was \$49,934 per organization. The highest budget allocated reached \$125,000, while the lowest was \$5,000. Of the 21 participating organizations, 18 received funds, a proportion of 86 %.

Finally six of the 21 participating organizations received extra amounts for the financing of their investment funds. The amounts varied from \$87,749 to \$417,784, for an average contribution of \$169,100 per organization.

The distribution of the budgets allocated per organization during the course of the three years, is presented in table 4.1. As indicated in the table, an important proportion of the partner organizations received \$50,000 or more per year to offer basic coverage services and/or CDP services on the newly covered territories. At the same time, the organizations which received less than \$25,000 also represented an important part of the total. This indicates an important disparity between the amounts allocated to the different partner organizations on the territory of Quebec.

**Table 4.1 - Distribution of the budgets allocated per organization**

Annual budget	Year 1		Year 2		Year 3	
	n	%	n	%	n	%
Less than \$25,000	1	22.2%	6	33.3%	6	33.3%
Between \$25,000 and \$49,999	1	11.1%	6	28.6%	4	22.2%
\$50,000 and up	7	66.7%	9	38.1%	8	44.4%
<b>TOTAL</b>	<b>9</b>	<b>100%</b>	<b>21</b>	<b>100%</b>	<b>18</b>	<b>100%</b>

## 4.2 ACTIVITIES REALIZED

The Geographical Coverage Initiative led to the realization of several activities whose goal is to increase the assistance in economic development provided in the targeted municipalities. The type of activities varies according to the type of coverage provided, either the basic coverage or services from the CDP.

### 4.2.1 Basic coverage

The basic coverage includes the following services: reception and referral, accompaniment and studies, awareness programmes, information and activities, as well as promotion and representation.

According to the documentation provided and the information obtained from the organizations, 10 organizations reported having provided reception and referral services in the newly-covered territories. Yet it must be noted that the organizations did not always report these activities because they are generally considered as very simple and non-interventionist interventions.

The reception and reference services provided to the entrepreneurs and businesses of the newly-covered territories consisted essentially in providing information on the programs offered by the Canadian government, either by phone or in person.

In addition, fourteen organizations indicated having provided accompaniment services and studies to the newly-covered municipalities of their territory. These services included accompanying entrepreneurs in the elaboration of their business strategies and development plan, advising on financing procedures as well as technical and financial contribution to the realization of market studies, feasibility studies or others. In this type of intervention, the accompaniment of entrepreneurs and provision of consultation services were the most common.

The CFDC, CEDC, BDC and others were also active in awareness programmes, information and activities. Sixteen organizations indicated having organized information and training sessions to develop the competencies and expertise of entrepreneurs and business owners of the newly-covered territories. These services included breakfast-talks, forums, workshops and conferences on several subjects such as electronic trade, export, standards of quality, etc.

Finally, the vast majority of the organizations listed initiated various activities of promotion and representation with the businesses and entrepreneurs of their territory. Indeed, 20 organizations advertised their services through the distribution of pamphlets and pins, press releases, advertisement in newspapers and radio, participation in group discussions, forums, concertation tables with development partners as well as visits to local businesses.

#### **4.2.2 CDP Services**

The services provided through the CDP coverage consisted essentially of technical and /or financial assistance to the recipient businesses or entrepreneurs. Eight of the 21 partner organizations (around 38 %) had the responsibility to offer access to all CDP services in some municipalities of their expanded territory.

The technical assistance includes the support in the preparation of financial and technical strategic plans to businesses and entrepreneurs as well as support for the implementations of local initiatives. In the case of the 8 participating organizations the technical assistance provided included the follow-up of businesses, organizations, public consultations, promotion of regional initiatives, search of strategic partners, and information tours in the region.

Finally, financial assistance consists in loans, loan guarantees and capital to individuals and small businesses of the collectivity. The eight organizations concerned by these services analysed several loan requests on their territory and provided financing in different cases.

### **4.3 EXPECTED AND ACTUAL RESULTS**

The information on the expected and actual results was mainly taken from the annual reports produced by the organizations for the ongoing performance measurement of the Geographical Coverage Initiative. A considerable difference was noted among the organizations with regard to the measures and methods of compilation of annual results. In certain cases, the expected results were clearly identified and numbered in such a way as to allow a direct and coherent comparison with actual results. In other cases, the performance objectives remained vague or inexistent. In parallel, several organizations did not systemize their results by grouping activities by main categories and numerically assessing the results achieved. Finally, some did not differentiate between the results obtained through the Geographical Coverage Initiative and the results produced by the organizations' other current activities. In this context, the results presented in this section must be interpreted with caution.

#### **4.3.1 Basic coverage**

The number and type of activities organized for the basic coverage of territories varies depending on the partner organization. Given this, it is interesting to present the actual results by differentiating the different types of organizations. The activities reported in this section are those of the last completed year (ending in September 2002) for the majority of the organizations.

Each partner organization carried out an average of 34 reception and referral activities during the last exercise. This does not include the permanent services such as phone calls reception or initial meetings with businesses and entrepreneurs. This result is almost twice as high as what the organizations had originally expected with regard to this type of activities. The objective in terms of the number of reception and referral activities was in fact set at 19 for the same period. Yet it is important to remember that the organizations did not always fully report this type of activities, given their simple and non-interventionist nature. In this context the results presented here are probably underestimated.

The cross-tabulation of expected and actual results confirms that the majority of the organizations reached or exceeded their initial goals. This dynamic is clearly presented in table 4.2: the high proportion of the respondents that appear in the lower part of the table reveals that for each level of anticipation given (column), the results achieved are higher (line).<sup>3</sup>

**Table 4.2 - Expected and actual results - reception and referral activities**

Actual results	Expected results			
	Between 5 and 9		10 and up	
	n	%	n	%
Less than 5	0	0.0%	1	12.5%
Between 5 and 9	0	0.0%	1	12.5%
10 and up	1	100.0%	6	75.0%
<b>TOTAL</b>	<b>1</b>	<b>100%</b>	<b>8</b>	<b>100%</b>

The CFDC, BDC and CEDC were generally equally active in providing these services, as illustrated below in table 4.3.

**Table 4.3 - Reception and referral activities by the type of organizations**

Number of reception and referral activities	CFDC	BDC	CEDC	Other	Total	
					n	%
Less than 5	1	0	0	0	1	10.0%
Between 5 and 9	1	0	0	0	1	10.0%
10 and up	3	2	2	1	8	80.0%
<b>TOTAL</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>10</b>	<b>100%</b>

As for the accompaniment and studies of projects and businesses, each participating organization carried out an average of 17 activities over the last year. Not surprisingly, the number of activities was significantly less than that of the "reception and referral" type. The organization must indeed mobilize a larger part of their resources to offer service of quality in the accompaniment and studies of businesses. In any case, the results once again exceed the objectives set initially by the partner organizations at 10 activities.

<sup>3</sup> It must also be noted that certain organizations set themselves objectives and presented clear results, while certain others omitted to indicate their objectives or their results. This explains why the totals in the tables vary depending on the approach of presentation (see table 4.2 and 4.3 for example).

The cross-tabulation of expected and actual results reveals that the organizations which expected holding less than 5 or more than 10 activities reached their respective objectives, while those which intended to hold between 5 and 9 activities generally reached or exceeded their expectations (table 4.4).

**Table 4.4 - Expected and actual results - accompaniment and studies activities**

Actual results	Expected results					
	Less than 5		Between 5 and 9		10 and up	
	n	%	n	%	n	%
Less than 5	3	100.0%	0	0.0%	0	0.0%
Between 5 and 9	0	0.0%	1	50.0%	0	0.0%
10 and up	0	0.0%	1	50.0%	4	100.0%
<b>TOTAL</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>	<b>4</b>	<b>100%</b>

The CFDC, CEDC and other organizations appeared more active in the organization of accompaniment activities as well as the follow-up of businesses (table 4.5). On average, these organizations reported 10 activities or more per center during the course of the last year. In comparison, the BDC was less active in this regard. This can be explained by many factors, and notably the fact that the BDC received lower budgets than their counterparts for the Geographical Coverage. In addition, the BDCs are generally prone to offer extensive technical and financial support instead of providing a simple distant accompaniment, given their greater autonomy in the operation and management of their investment funds.

**Tableau 4.5 - Accompaniment and studies activities by type of organizations**

Number of accompaniment and studies	CFDC	BDC	CEDC	Other	Total	
					n	%
Less than 5	3	1	0	0	4	28.6%
Between 5 and 9	2	0	0	0	2	14.3%
10 and up	2	0	4	2	8	57.1%
<b>TOTAL</b>	<b>7</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>14</b>	<b>100%</b>

During the course of the last year, each participating organization put together some 8 activities on awareness and information for the development of competencies and expertise in newly-covered territories. This result is two times less than the stated objective of 16 activities.

As illustrated in table.6, the more ambitious organizations were often less capable of honoring their promises: the majority of organizations which expected holding 10 activities or more during the course of the year could not reach their objectives.

**Tableau 4.6 - Expected and actual results - Sensitization, information activities**

Actual results	Expected results					
	Less than 5		Between 5 and 9		10 and up	
	n	%	n	%	n	%
Less than 5	0	0.0%	0	0.0%	2	40.0%
Between 5 and 9	0	0.0%	3	100.0%	2	40.0%
10 and up	1	100.0%	0	0.0%	1	20.0%
<b>TOTAL</b>	<b>1</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>5</b>	<b>100%</b>

The organizations were generally equally active in the organization of awareness and information activities on their territory, no matter their affiliation. The majority of CFDC, BDC, CEDC and others organized between 5 and 9 activities per organization, as illustrated in table 4.7.

**Table 4.7 - Awareness and information activities by type of organizations**

Number of awareness and information activities	CFDC	BDC	CEDC	Other	Total	
					n	%
Less than 5	2	1	0	1	4	25.0%
Between 5 and 9	4	1	2	1	8	50.0%
10 and up	2	0	2	0	4	25.0%
<b>TOTAL</b>	<b>8</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>16</b>	<b>100%</b>

Finally, almost all partner organizations indicated having taken in charge the promotion of their activities and of the services offered by the Canadian government in the community. Indeed, 20 out of 21 organizations, or 95,2 %, carried out various activities of promotion and representation such as the publication of pamphlets, the production of promotional tools, the participation in local economic forums, etc. Given the diversity of these measures and their diffuse nature, it was not possible, nor particularly relevant, to determine the exact number of promotional activities undertaken on the newly-covered territory. Certain organizations had however indicated precise objectives with regard to promotional activities at the beginning of their exercise. According to these forecasts, the organizations expected to hold an average of 14 promotional activities over this period.

### 4.3.2 CDP services

According to the information obtained, 8 out of the 21 partner organizations received the mandate to offer to certain municipalities of their expanded territory access to all services offered by the CDP program. Of these 8, 7 provided technical assistance on the newly-covered territories, with an average of 19 cases per organization over the last year. These results are three times greater than the objective of 6 set at the beginning of the period.

The cross-tabulation of expected and actual results shows that all organizations which expected less than 10 technical assistance cases exceeded their expectations. (Table 4.8).

**Table 4.8 - Expected and actual results - technical aid**

Actual results	Expected results					
	Less than 5		Between 5 and 9		10 and up	
	n	%	n	%	n	%
Between 5 and 9	1	50.0%	0	0.0%	0	0.0%
10 and up	1	50.0%	1	100.0%	2	100.0%
<b>TOTAL</b>	<b>2</b>	<b>100%</b>	<b>1</b>	<b>100%</b>	<b>2</b>	<b>100%</b>

The distribution of the cases according to the type of organization is shown in table 4.9. As illustrated, the majority of the CFDCs and BDCs managed 10 cases or more, compared to less than 5 in the case of the CEDC. This is not surprising considering that the primary mission of the CEDC mainly consists in providing " first line " assistance similar to the basic coverage services.

**Table 4.9 - CDP Services - technical assistance - by type of organizations**

Number of technical assistance cases	CFDC	BDC	CEDC	Other	Total	
					n	%
Less than 5	0	0	1	0	1	14.3%
Between 5 and 9	1	0	0	0	1	14.3%
10 and up	3	2	0	0	5	71.4%
<b>TOTAL</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>7</b>	<b>100%</b>

The number of financial assistance cases took on by partner organizations were generally limited due to the extensive involvement, time and resources required for the the follow-up of these types of cases. The average amount of technical assistance cases reached 6 in the course of the last period, a result two times higher than the 3 forecasted at the beginning of the period.

The organizations that were the most cautious, that is those whose original forecasts were less than 5, exceeded their objectives (table 4.10).

**Table 4.10 - Expected and actual results - financial assistance**

Actual results	Expected results			
	Less than 5		Between 5 and 9	
	n	%	n	%
Less than 5	1	33.3%	2	100.0%
10 and up	2	66.7%	0	0.0%
<b>TOTAL</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>

Also, as indicated in table 4.11, only the CFDCs and BDCs provided such financial assistance during the period studied. The majority of the CFDCs limited themselves to less than 5 cases per organization.

**Table 4.11 - CDP Services - financial assistance - by the type of organizations**

Number of financial assistance cases	CFDC	BDC	Total	
			n	%
Less than 5	4	1	5	71.4%
Between 5 and 9	0	0	0	0.0%
10 and up	1	1	2	28.6%
<b>TOTAL</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>100%</b>

### 4.3.3 Summary of results

The cost-result ratio of the Geographical Coverage Initiative can be evaluated through the summation of the activities organized, on one part, and of the funds allocated to the partner organizations, on the other part. This allows the direct comparison of the cost of the initiative to the results obtained over a given period. The total number of activities that were undertaken over the last year by participating organizations is calculated on the basis of the results presented in the previous sections of this report. If no adjustment is made to account for the different types of organizations and the different nature of activities organized, the total number reached 879 over the last period. The details by type of activities is provided in table 4.12.

**Table 4.12 - Summation of results**

Number of activities	Total	
	n	%
Reception and reference	340	39%
Accompaniment	234	27%
Awareness	129	15%
Technical assistance	133	15%
Financial assistance	43	5%
<b>TOTAL</b>	<b>879</b>	<b>100%</b>

Yet it must be noted that this count does not include the activities of promotion and representation within the community. As indicated earlier, the diversity of these activities and of the follow-up procedures prevented their clear posting in the current evaluation exercise.

At the same time, the total funds allocated to all partner organizations over the corresponding year (the year 3 ended in September 2002), amounted to \$898,816. A simple computation of the cost-result ratio shows an average cost per activity of \$1,023. This ratio must however be interpreted with caution. On one part, there is important diversity in the nature and extent of services rendered by the organizations: whereas reception and referral services require limited involvement on the part of organizations, the provision of technical and financial assistance generally spans over longer periods of time and require regular follow-up. In this context, it is difficult to interpret an average cost per activity, which includes the provision of both basic coverage and more extensive services on the part of partner organizations.<sup>4</sup>

On the other part, the total number of activities considered in the cost-result ratio underestimates the actual results of the Initiative due to several factors :

- The promotion and representation activities are not included in the total;
- The reception and referral services are probably underestimated due to the fact that the organizations did not systematically number these kinds of activities in their annual reports, given the simple and non-interventionnist nature of these activities;
- Only short-term results are included. The spin-off effects of the activities undertaken by the organizations, which generally appear in the medium to long term, are not included in the total.

<sup>4</sup> This difficulty could be overcome if the budgets allocated to the organizations allowed a clear distinction between the funds intended for basic coverage and those intended for CDP services. This distinction was not made however in the case of organizations offering both the basic coverage and the CDP services on their territory.

Given this, it is very likely that the actual average cost per activity be significantly lower than the ratio presented earlier.

## 4.4 IMPACTS ON CLIENTS

As mentioned in the previous chapter, one of the components of the evaluation was to undertake a short survey with the individuals and businesses who benefited of the assistance of partner organizations in the context of the Geographical Coverage Initiative. In order to do this, we asked the partner organizations' respondents to provide a list of clients of the initiative either on the premises or later by e-mail. In some cases, the respondents reported that the segmentation of clients by program had not been done. In other cases, the organization reported intervening only with groups or other organizations, which prevented the identification of direct clients (enterprises, businesses, entrepreneurs). Finally, some organizations were a reluctant to provide a list of clients due to confidentiality issues. Notwithstanding these obstacles and after a second request on the part of the consultant, the evaluation team was able to obtain a list of thirty potential respondents. Of these thirty, 30 answered the questionnaire either in person or by telephone. These discussions averaged 20 minutes and focused on the respondents' knowledge of the initiative and their degree of satisfaction.

### 4.4.1 Characteristics of recipients

As presented in table 4.13, 77 % of the sampled respondents were businesses. Of these, 47 % benefited of assistance for a project of expansion. It is interesting to note that 13 % of the respondents proposed non-profit organizations projects.

**Table 4.13 - Type of respondents**

Manufacturing	23%
Agriculture	17%
Information, culture and leisure	17%
Trade	13%
Other services	30%
<b>Total</b>	<b>100%</b>

The activity sectors of respondents is not very diversified (table 4.14). Indeed, 70 % of the respondents work within one of the three following sectors: manufacturing, agriculture and information, culture and leisure. This finding follows the tendency of the assistance generally offered within the framework of similar initiatives, which favour the traditional sectors with poor technology and poor added value.

**Table 4.14 - Sectors of activities**

Less than \$100,000	26%
\$100,000 - \$249,999	22%
\$250,000 - \$499,999	22%
\$500,000 - \$749,999	4%
1 million \$ and up	26%
<b>Total</b>	<b>100%</b>

Finally, 48 % of the respondents of the survey reported sales level of less than \$250,000. At the same time, a significant portion of respondents (26 %) showed sales level of more than 1 million dollars (table 4.15).

**Table 4.15 - Annual sales level**

	<b>Number</b>	<b>%</b>
Enterprise - expansion project	14	47%
Enterprise - start-up project	9	30%
Non-profit organization	4	13%
Self-employed worker	2	7%
Cooperative	1	3%
<b>Total</b>	<b>30</b>	<b>100%</b>

#### **4.4.2 Type of aid received**

Table 4.16 presents the type of assistance provided by the partner organizations to the sampled clients. As we can see, there are more types of assistance than there are respondents; this is due to the fact that several respondents reported having benefited of more than one type of assistance. In any case, the services provided were mainly related to financial assistance or reception and referral services. Together, these two kinds of services represented 51 % of the total assistance offered to the respondents.

**Table 4.16 - Type of assistance**

	<b>Number</b>	<b>%</b>
Financial assistance	15	26%
Reception and referral	14	25%
Accompaniment and studies	9	16%
Technical assistance	8	14%
Awareness, information and activities	7	12%
Promotion and representation	4	7%
<b>Total</b>	<b>57</b>	<b>100%</b>

#### **4.4.3 Knowledge of the initiative**

Of the respondents interviewed, 63 % were not aware that they had benefited from the Geographical Coverage Initiative. Of these respondents, over 50 % were referred by other organizations, mainly the local CLD.

#### **4.4.4 Impacts of the aid received**

The majority of respondents considered that the services received had positive impacts on the expansion or the implementation of their project (table 4.17). On average, 62 % of the respondents considered that the global impact on their project was positive, particularly in the case of the accessibility of financial aid (79 %). However, the impact on employment seems neutral if we consider that more than 64 % of the respondents that received assistance did not report any change in the number of employees. Finally, it is important to note that none of the respondents indicated that the assistance received had a negative effect on their projects.

**Table 4.17 - Impacts of the assistance received**

	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>
Your access to financing	79%	21%	0%
Your number of employees	36%	64%	0%
Your sales volume	69%	31%	0%
Your organization and management	66%	34%	0%
Your market development	59%	41%	0%
<b>Average</b>	<b>62%</b>	<b>38%</b>	<b>0%</b>

With regard to the success of the project following the assistance or the non-assistance of the organization (table 4.18), 62 % of the respondents claim that their projects would have evolved at a slower pace, hadn't be of the assistance received from the partner organizations. Moreover, 24 % of the respondents claim that their projects would even have failed had they not received any assistance from the organizations. This result leads to believe that in general, the entrepreneurs appreciated the aid received but that the success of their project did not systematically depend on governmental assistance.

**Table 4.18 - Success of the project without the aid of an organization**

Would have failed	24%
Would have evolved at a slower pace	62%
Would have evolved in the same way	10%
Other	3%
<b>Total</b>	<b>100%</b>

#### **4.4.5 Relevance of the aid received**

This objective of the questionnaire also included the evaluation of the relevance of the aid received in regard to other types of assistance offered in the area. For 60 % of the respondents, the assistance received was used as a complement to other types of assistance. Eighty-seven percent (87 %) of all respondents also claimed that they could not have received the same type of assistance from other organizations in the area. Finally, 82 % of respondents expressed their wish that organizations offer more services to the population, and financial assistance in particular.

The results presented in the previous paragraph show that the type of assistance offered by the organizations within the Geographical Coverage Initiative do not seem to overlap with other assistance provided by other local organizations. On the contrary, it appears to respond to local need and it plays a complementary role in the search for assistance on the part of businesses and entrepreneurs.

#### **4.4.6 Satisfaction level of respondents**

Table 4.19 presents the level of satisfaction of respondents with regard to different aspects of the assistance received. On an appreciation scale going from very satisfied to very dissatisfied, more than 77 % of respondents said to be very satisfied or satisfied with the application and management procedures. More specifically, we note a high level of satisfaction with the delays for the treatment of the request (86 %), the follow-up procedures during the project (80 %), the relationships with the persons in charge (93 %), the type of aid provided (94 %) and the adequacy between the services

offered and the needs (76 %). A relative drop in the satisfaction levels is observed in relation to the organization's promotion (57 %) and the follow-up procedures after the completion of the project (41 %). However, the rate concerning this item can be explained by the fact that most of the projects sampled were recent and the respondents had not yet had the opportunity to experience such procedures. This is why 59 % of the respondents answered to this question that they did not know about follow-up procedures or that it was not applicable.

Finally, the respondents indicated that the promotion, publicity and information available on the organizations themselves were generally not very visible. The low satisfaction levels reported with regard to these elements are more an observation than an irritant for these respondents. Given that the publicity made by the organizations often appears in local medias, their penetration rate can indeed be limited.

**Table 4.19 Satisfaction Level**

	Very satisfied	Satisfied	Indifferent	Dissatisfied	Very dissatisfied	Doesn't know
Administrative procedures (before, during and after the services)	33 %	43%	7%	7%	0%	10%
Delays of treatment of the demand	55%	31%	0%	7%	0%	7%
Follow-up procedures in the course of the project	43%	37%	3%	10%	0%	7%
Follow-up procedures after the completion of the project	9%	32%	0%	0%	0%	59%
Relationships with agents	63%	30%	3%	0%	0%	3%
Publicity, promotion, information on the organization	18%	39%	14%	18%	0%	11%
Type of assistance provided	37%	57%	0%	3%	0%	3%
Assistance obtained compared to expectations	40%	47%	3%	3%	3%	3%
Assistance obtained compared to needs	33%	43%	10%	3%	3%	7%
<b>Average</b>	<b>37%</b>	<b>40%</b>	<b>5%</b>	<b>6%</b>	<b>1%</b>	<b>12%</b>

## 5. PERCEPTIONS OF STAKEHOLDERS

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This chapter presents the perceptions of the different stakeholders (representatives of organizations and CED agents) on the characteristics, results and impacts of the Geographical Coverage Initiative. The opinions expressed by the respondents are grouped in two major themes: the strengths and weaknesses of the initiative.

From a general perspective, it is important to note the differences observed between the organizations evolving in rural or urban settings. The discussions, investigations and analysis of the matrix on the organizations reveal that the notions of complementarity and flexibility in the interventions of organizations in rural areas are not easily transposed in the urban regions. According to stakeholders, the difference lies in the competitive environment that prevails between development organizations evolving in urban areas. Given that the density of such organizations is greater in urban areas and that the territories covered are more limited, the clear delimitation of each organization's domain of intervention and mandate is much more important than in rural regions. With large territories to cover, the organizations in rural areas have an incentive to cooperate with one another and develop a complementarity in order to optimize their respective interventions.

### 5.1 PERCEIVED STRENGTHS

#### 5.1.1 Development of businesses on the territory

All stakeholders consider that the Geographical Coverage Initiative had a positive impact on the development of businesses of the newly-covered territories, particularly in the case of municipalities that benefited from CDP coverage.

Some respondents were not sure of the impacts that could reasonably be expected from the provision of basic coverage services. These respondents indicated that although necessary, these " first line " services only answer to a portion of the needs expressed by local businesses. In fact, it would be illusive to expect that contributions as low as \$5,000 could generate long-term effects on the local economic development. In order to see concrete impacts materialize (job creation for example), additional support services such as technical and financial assistance are necessary to favour the long-term progression and development of starting or expanding businesses.

### **5.1.2 Cost-result ratio of the initiative**

In general, the stakeholders recognize that the cost-result ratio of the Geographical Coverage Initiative is very positive.

According to CED agents, the budgets allocated to the organizations are in most cases rather low and the financial involvement of CED for the Geographical Coverage Initiative is limited. In return for this investment, the initiative allowed a broader geographical coverage of the province and a corresponding increase in the services offered to the businesses and entrepreneurs of all regions. The other positive effect of the initiative was to help the partner organizations broaden their contacts and develop partnerships with other organizations of their territory. Given the limited investment and the initiative's positive impacts on the offer of services to businesses and the development of organizations, the CED agents evaluated very favorably the cost-result ratio of this project.

The representatives of the sampled organizations were even more positive in their assessment of the cost-result ratio of the initiative. According to the majority of them, the investment made by CED is low in comparison to the positive impacts generated on the newly-covered territories. Several also agree that the organizations have invested on their own far more than the budgets they received to ensure the coverage of the new territories. In fact, the personnel of these organizations dedicated a lot of time and energy to promote their services in the newly-covered territories, to perfect their knowledge of the new populations as well as to answer to the additional needs expressed by businesses and entrepreneurs. These investments yielded increased visibility and influence for CED in communities. The effective effects of the Geographical Coverage thus include not only the actual activities organized within the framework of the initiative but also the positive effects of a commitment and a real involvement in the new territories. On the other hand, it is also expected that the efforts and investments rendered on the field by the organizations over the last two years will generate stronger impacts in the long term, with the progressive increase in the clientele served and the spin-off effect generated.

### **5.1.3 Positioning of organizations on the territory**

The Geographical Coverage Initiative had a positive impact on the positioning of organizations within their respective areas. In fact, several representatives from CFDC, BDC, CEDC and other organizations indicated that the expansion of their territory enabled them to better position themselves as strategic partners among the local development organizations within their community. This new positioning in turn contributes to the maximization of the impacts of activities undertaken by the partner organizations on the newly-covered territories.

#### **5.1.4 Creation of synergies between the organization of the territory**

As mentioned earlier, the initiative had the indirect positive effect of favoring the creation of synergies between the organizations of their community. In fact, the expansion of the territories covered in the province enabled several organizations to develop greater synergies between their respective interventions. For example, certain organizations reported having referred clients to other organizations in their area that offered the services that best responded to the client's needs, such as financing and/or specialized services in specific areas.

In Montérégie in particular, the Geographical Coverage Initiative provided the incentive to three CFDC and three BDC of the region to unite their effort for the promotion of the regional development. The collaboration among these organizations was initiated in November 2000 at a cocktail where representatives of organizations, financial institutes and businesses were grouped together. The six bodies that participated in the organization of this event report that this collective action did not only favour the collaboration among organizations but also contributed to the maximization of the visibility of CED in the area.

### **5.2 PERCEIVED WEAKNESSES**

#### **5.2.1 Performance measurement**

Some of the stakeholders met complained about the difficulties related to the performance measurement framework of the Geographical Coverage Initiative. Several organizations had not planned the resources and follow-up allowing them to distinguish between the Geographical Coverage Initiative and their current activities. Also, the representatives of certain organizations reported that the performance measures were not simple enough and not clearly defined. These misunderstandings brought on problems in the interpretation of CED requirements with regard to follow-up procedures, in the application of the follow-up itself and in the elaboration of annual reports.

This problem was clearly apparent in the present evaluation. As previously noted, the evaluation work was complicated by the disparities among the different organizations in performance measurement and the compilation of annual results. Given this, a better understanding and more systematized follow-up procedures would be necessary to ensure the rigorous evaluation of the expected and actual results of the Geographical Coverage Initiative. Given that the initiative is still in the early years of its implementation, it would also be appropriate to review the performance measurement framework.

Several representatives of partner organizations indicated that the concrete results of their interventions in terms of jobs and enterprises would be apparent in the next months or so. From this year on, the performance measurement could thus integrate two parts: (a) a systematic identification of actions undertaken within the Geographical Coverage Initiative and (b) the follow-up of results with clients (enterprises and entrepreneurs) who obtained assistance from partner organizations within the Initiative.

The results and analysis presented in chapter 4 of this document show that, in most cases, the organizations clearly exceeded the objectives that had been set in the Appendice 5 of their contract with the Agency. Given this, it appears appropriate to review these objectives in light of the present evaluation's findings in order to better reflect the interventions of organizations with regard to the initiative. It is suggested that the actual results presented in this document be used as minimal standards for the coming years. A list of follow-up indicators is suggested in appendice 5 of the present document. This appendice also presents a list of indicators intended for past and future clients. This should enable the identification of the medium and long-term results associated to the Geographical Coverage Initiative.

### **5.2.2 Constraints and limits imposed by the initiative**

All the representatives of the sampled organizations complained about the limits imposed by the Geographical Coverage Initiative with regard to the use of funds intended for the provision of basic coverage, on one part, and for CDP services, on the other. In the general opinion, and in the perspective of local and regional development, it is not desirable to restrict the provision of extensive assistance and support services (through the CDP in this case) to a limited number of territories. According to the persons interviewed, the municipalities of the regions evaluated as zone 7 and 8 often only offer a small pool of businesses, which necessarily limits the demand in terms of technical and financial assistance. On the other side, the municipalities that only benefit from basic coverage services often have important needs in terms of assistance. Certain projects and businesses on these territories show an interesting potential for growth that could benefit the whole region, whether directly (employment) or indirectly (spin off effects on suppliers). Given that the demand for technical and financial assistance in these fertile areas is generally more important, the CDP's impact within these communities could rapidly be maximized and perpetuate itself in the long run.

At the same time, the respondents recognize the importance to retain the specific objective of reducing pockets of poverty on the territory. Yet according to them, this objective can be attained by giving more latitude to organizations and not limiting their interventions by geographical criteria that do not always reflect the reality of the area. It is rather suggested that the offer of CDP services

be molded according to the needs expressed by local businesses and entrepreneurs, considering that the positive effects of such interventions will occur not only locally but regionally.

Most of respondents recommended that the services offered by organizations within the Geographical Coverage Initiative cover a wider range of interventions, to include the CDP services in the cases where the projects presented and the pool of businesses justifies such interventions. This flexibility in the use of funds will allow the organizations to better adapt their interventions to the type and extent of needs observed in the different zones of their territory.

### **5.2.3 Division of the territory**

Many of the stakeholders met in the course of the survey questioned the division of the territory into "basic coverage" zones (zones 1 to 6) and CDP coverage zones (zones 7 and 8).

Certain questions were brought up as to the relevance of using poverty indicators of the population and not of businesses on the territory. According to certain respondents, it would have been more appropriate to measure the degree of decay of businesses because they are the ones who ultimately contribute to the enrichment of workers, whether they live in the area or not. In addition the identification of the territory's needs on the basis of the existing pool of businesses would facilitate the assessment of the budget and resources required for the implementation of the Geographical Coverage Initiative. Indeed, all other things equal, one would usually find fewer businesses in rural regions than in urban areas. In these cases, the allocation of budgets should take into account the lower initial demands for technical and financial assistance and the additional efforts required in the short-term to stimulate local economic development.

### **5.2.4 Perceptions on the division of the territory**

Although all stakeholders generally have a positive opinion of the Geographical Coverage Initiative, the distinction that was done between the type and extent of the services offered according to the nature of the zone covered was often criticized. The respondents indicated that the distinction between the municipalities benefiting from the basic coverage and those from the CDP had a negative impact on the community's opinion of the initiative. Several representatives of sampled organizations reported having to deal with dissatisfied businesses and entrepreneurs. According to them the distinction made did not take into account the local needs and the potential of the projects presented.

In addition, the representatives of the organizations complained about the difficulties encountered in the promotion of their organization, a promotion made more difficult due to the existence of territorial differences in the nature and the range of services offered to clients. These difficulties were particularly clear in the meeting of potential clients as well as in the elaboration and design of promotional documents explaining the services offered by the organization in the different zones.

## 6. CONCLUSION

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The evaluation of the first 24 months of the Geographical Coverage Initiative identified the following points:

- **A global positive impact on stakeholders:** the initiative clearly contributed to the increase in the presence of CED in all regions of the province. It also reinforced the presence and influence of the partner organizations within their respective territories. Finally, the Geographical Coverage Initiative helped offer better services in response to the needs of businesses and entrepreneurs. For the majority of clients, this assistance translated into better access to financing and increases in sales level, which are all very positive impacts in the context of local development initiatives;
- **The attainment of performance objectives set by partner organizations:** the partner organizations either reached or exceeded the goals they had set themselves in the Geographical Coverage Initiative. The comparison of the expected and actual results of the organizations indicates that they were active in the organization of activities of reception, referral, accompaniment, awareness and promotion, as it was intended. In the case of organizations involved in CDP coverage on the newly-covered territories, a great effort was also done in the provision of technical and financial assistance;
- **A favorable cost-result ratio:** the cost-result ratio of the initiative appears very positive overall. The benefits registered in terms of local development, expansion of organizations and presence of the CED largely exceeded the budgets allocated through the initiative. The Initiative also had unexpected positive impacts on the positioning of organizations and the level of collaboration between these bodies in different regions of the province. The figures indicate that the number of activities realized by partner organizations over the last period reached 879, for a total budget of \$898,816 for the corresponding year. A simple computation of the cost-result ratio shows an average cost per activity of \$1,023, which underestimates the actual return of the initiative. It is important to recall indeed that many organizations did not systematically report their activities and that their interventions were very diverse, ranging from simple reception services to the long term follow-up of projects undertaken by businesses and entrepreneurs of their territory;

- **A misunderstanding of the performance measurement requirements:** the disparities observed in the follow-up methods and compilation of annual results on the part of the partner organizations reveals a clear misunderstanding of the Agency requirements in this regard;
- **Questioning of the division of the territory:** the criteria used to define the different zones (1 to 6 or 7 and 8) did not take into account the decay of businesses on the territories;
- **A critic of the constraints imposed on the use of funds:** since the interventions of the organizations were determined by the zones of their territory (1 to 6 or 7 and 8), the assistance provided could not be molded in function of the needs expressed by local businesses and entrepreneurs. This constraint limited the generation of positive effects in the newly-covered territories not served by the CDP;

**The recommendations** that ensue from these points are the following:

- **The Geographical Coverage Initiative should be pursued** in order to preserve the positive effects generated through the Initiative on local economic development;
- **The requirements in terms of ongoing performance measurement should be reviewed, simplified and systemized** in order to ensure the rigorous evaluation of the output and performance of the project. In this respect, **a list of indicators is suggested in appendice 5 of the present document**. In addition, the current follow-up framework does not pay much attention to the expected results in the medium term. This is probably due to the newness of the initiative. If there were to be a second evaluation within the next 18 to 24 months, it would be important to give more attention to medium-term measures such as the number of jobs created and maintained or the number of businesses created and maintained through the activities financed by the Initiative. Finally, the survey would have to be done with a larger number of clients and cover the post-assistance follow-up services usually offered by partner organizations;
- **The identification of the direct beneficiaries of the initiative should be systematized** with the implementation of a grid that would enable the clear identification of activities financed through the Initiative and the population reached;

- **The criteria for the division of the territory should be reviewed to integrate a measure of decay of local businesses;**
- **A flexibility should be given in the use of the funds allocated through the Geographical Coverage Initiative.** In order to maintain the objective of reducing poverty in certain areas particularly decayed, quotas of CDP assistance could be set by zones (1 to 6 or 7 and 8). This system would enable organizations to provide more extensive assistance in certain particular cases and in all types of zone covered, while maintaining the priority on the more decayed zones of their territory.

The table that appears on the following page presents these recommendations within an action plan to be applied by CED to the Geographical Coverage Initiative in the light of the present evaluation's findings.

## GEOGRAPHICAL COVERAGE INITIATIVE - ACTION PLAN

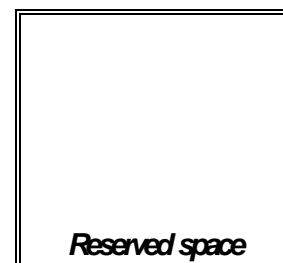
Recommendations proposed by Roche Itée., Groupe conseil	Actions of the Agency	Planned date of completion	Responsible Body(ies)
The Geographical Coverage Initiative should be pursued.	This evaluation report will be taken into consideration during the agency's positioning exercise.	30/ 06/ 2003	DGOR
The requirements in terms of ongoing performance measurement should be reviewed, simplified and systematized.	The performance measurement will be reviewed when the agreements are renewed.	60 days after the renewal of the agreements.	DGOR/DGQIT
The identification of the direct beneficiaries of the initiative should be systematized.	CED will insure a specific data collection for the geographical coverage when the agreements are renewed.	60 days after the renewal of the agreements.	DGOR
The criteria for the division of the territory should be reviewed.	N/A The actual division criteria are maintained.	N/A	DGOR
A flexibility should be given in the use of the funds allocated.	N/A The use of the funds is allocated based on the actual division criteria.	N/A	DGOR

APPENDICE I

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**Survey Questionnaire - Partner Organizations**

**EVALUATION OF THE GEOGRAPHICAL  
COVERAGE INITIATIVE  
QUESTIONNAIRE FOR ORGANIZATIONS**



Good morning/afternoon, my name is \_\_\_\_\_. Our firm has been mandated by the Canada Economic Development Agency to conduct the evaluation of the Geographical Coverage Initiative that took place within the Community Development Program (CDP). The main objective of this interview is to collect the maximum of information on your organization, the activities undertaken, the results obtained and your perceptions on the impacts of this initiative. It is clear that the comments and opinions collected during this exercise will not be attributed to any single person in the evaluation reports.

**GENERAL INFORMATION**

1.1 Type of organization

CFDC	
BDC	
CEDC	
Other, specify : _____	

1.2 Name of the organization : \_\_\_\_\_

1.3 Contact (name and title) : \_\_\_\_\_

**SECTION 1 CHARACTERISTICS OF THE ORGANIZATION**

Types of coverage :

1. BDC, CEDC and other organizations which only offer basic coverage in their new extended territories, zone 1 to 6.
2. CFDC which only offer basic coverage, zone 1 to 6.
3. CFDC which offer basic coverage in certain municipalities (zone 1 to 6) and CDP coverage in zones 7 and 8.
4. CFDC which offer CDP coverage in the municipalities targeted by the CDP program, the zones 7 and 8.

2.1 Financial contribution for the geographical coverage :

	Operations (\$)	Investment (\$)
YEAR 1 (09/2000 - 03/2001)		
YEAR 2 (04/2001 - 03/2002)		
YEAR 3 (04/2002 - 09/2002)		

2.2 Human resources added or dedicated to the geographical coverage (indicate the number of " full-time equivalent " jobs (FTE)) :

YEAR 1 (09/2000 - 03/2001)	
YEAR 2 (04/2001 - 03/2002)	
YEAR 3 (04/2002 - 09/2002)	

2.3 Are there other organizations on your territory which offer similar services to those of your organization ?

Yes	No

2.4 If yes, indicate which organizations (CLD, Chamber of commerce, others) and the services they offer :

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2.5 Did you adapt your activities in function of the interventions of these organizations?

Yes	No

2.6 If yes, please explain :

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**SECTION 2 DESCRIPTION OF THE ACTIVITIES**

Activities	Description	Reach *	Output	Result

\* Local or regional

**SECTION 3 RESULTS**

3.1 Validate annex E with the annual reports and complete the information for year 3 (ending in September 2002)

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**SECTION 4 PERCEPTION**

4.1 Describe the impacts of the initiative (positive and negative) and what could not have been done without this contribution.

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4.2 Please identify the assets and constraints that influenced the implementation of the initiative by your organization.

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**SECTION 5 COMMENTS**

5.1 Do you have any additional suggestions or comments on this initiative? If yes, please describe.

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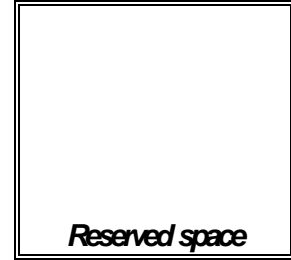
***Thank you !***

APPENDICE II

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**Survey Questionnaire - CED Agents**

**EVALUATION OF THE GEOGRAPHICAL  
COVERAGE INITIATIVE  
QUESTIONNAIRE FOR CED AGENTS**



Good morning/afternoon, my name is \_\_\_\_\_. Our firm has been mandated by the Canada Economic Development Agency to conduct the evaluation of the Geographical Coverage Initiative that took place within the Community Development Program (CDP). The main objective of this interview is to collect the maximum of information on this initiative. We are interested in obtaining your personal opinion on the subject but it is clear that the comments collected during this exercise will not be attributed to any single person in the evaluation reports.

Contact (name and title) : \_\_\_\_\_

Could you describe your role in the administration of the Geographical Coverage Initiative?

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**PERCEPTION OF IMPACTS**

1.1 What are according to you the impacts of the initiative (positive and negative)?  
What are the effects that could not have been observed without this contribution?

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1.2 Did this initiative give the clients (enterprises and organizations) access to certain services or advantages to which they did not have access before? If yes, what services or advantages in particular?

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1.3 Please identify the assets and constraints which influenced the implementation of the initiative within CED.

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**RELEVANCE AND EFFICIENCY OF THE INITIATIVE**

2.1 Did the Geographical Coverage Initiative respond adequately to the needs of the clientele targeted?

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2.2 What is your appreciation of the cost/result ratio of this initiative?

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**PERCEPTION OF THE ADMINISTRATION OF AGREEMENTS**

3.1 What is your appreciation of the administration of the agreements on the part of the partner organizations (ex : accordance with the annexes, follow-up on projects, performance measurement)?

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3.2 Do you have any additional suggestions or comments on this initiative? If yes, please describe.

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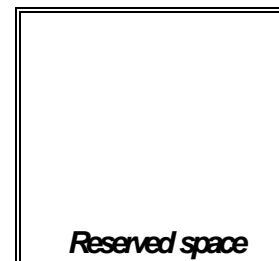
***Thank you !***

APPENDICE III

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**Survey Questionnaire - Clients**

**EVALUATION OF THE GEOGRAPHICAL  
COVERAGE INITIATIVE  
QUESTIONNAIRE FOR CLIENTS**



Good morning/afternoon, my name is \_\_\_\_\_. Our firm has been mandated by the Canada Economic Development Agency to conduct a survey with clients of CFDCs, CEDCs, BDCs and SIU organizations. According to our files, you have benefited from the assistance of one of these organizations over the period 2000-2002 and you have been selected to participate in this survey. Your participation is greatly appreciated. Your answers will help evaluate the impact of this assistance on the development of your project or your enterprise and assess your satisfaction towards the services you received.

**GENERAL INFORMATION**

Name of the respondent: \_\_\_\_\_

Name of the enterprise or organization: \_\_\_\_\_

Title or position of the respondent: \_\_\_\_\_

Telephone : (     ) \_\_\_\_\_

**SECTION 1 CHARACTERISTICS OF THE CLIENT**

1.1 In what capacity did you receive assistance from \_\_\_\_\_  
(the interviewer completes the sentence with the appropriate referring organization)?

Entrepreneur	
Self-employed worker	
Enterprise – start-up project	
Enterprise – expansion project	
Non-profit organization	
Other, specify : _____	

1.2 In which sector of activity is your enterprise or organization involved?

Agriculture	
Forestry, fishing, mines	
Public services	
Construction	
Manufacturing	
Trade	
Transportation and warehousing	
Finance, insurance, real estate	
Professional services	
Information, culture and leisure	
Accommodation and restaurants	
Other services	

1.3 What is your firm or organization's annual sales level (check)?

Less than \$100,000	
\$100,000 - \$249,999	
\$250,000 - \$499,999	
\$500,000 - \$749,999	
\$750,000 - \$999,999	
1 million \$ and up	

## SECTION 2 ASSISTANCE RECEIVED

2.1 What type of assistance did you receive? Check all that applies.

		<input checked="" type="checkbox"/>
Basic Coverage	Reception and referral	
	Accompaniment and studies	
	Awareness, information and activities	
	Promotion and representation	
CDP	Technical assistance	
	Financial assistance	

### Definitions

**Reception and referral :** provide information on the programs offered by the Canadian government, undertake researches, direct clients to adequate services;

**Accompaniment and studies :** provide consulting services to clients;

**Awareness, information and activities :** organize awareness and information sessions on the territory in order to develop competencies and expertise;

**Promotion and representation :** participate in events promoted by the Canadian government in accordance with the organization's mandate;

**Technical assistance :** information, consultation, updating and support to the strategic and technical planning undertaken by enterprises and workers;

**Financial assistance :** loans, loan guarantees or capital for small enterprises and entrepreneurs.

For each type of assistance checked off in question 2.1, indicate the number of times you benefited from these services over the period 2000-2002 :

		Number
Basic Coverage	Reception and referral	
	Accompaniment and studies	
	Awareness, information and activities	
	Promotion and representation	
CDP	Technical assistance	
	Financial assistance	

### SECTION 3 KNOWLEDGE OF THE INITIATIVE

3.1 Did you know that prior to September 2000, the enterprises and entrepreneurs of your region could not have access to the services provided by the CFDC/CEDC/BDC?

Yes	No

If yes, how did you learn that your region was now served by these organizations?

I contacted the organization myself	
A representative from the organization contacted me	
I learned it through the medias	
I learned it through other organizations of the region (chamber of commerce, associations,...) Which one? _____	
An acquaintance told me. What is the relationship with the respondent? _____	
Other sources of information Which one? _____	

If no, how did you learn about the existence of these organizations and the type of assistance they could provide?

I noticed the organization myself	
A representative from the organization contacted me	
I learned it through the medias	
I learned it through other organizations of the region (chamber of commerce, associations,...) Which one? _____	
An acquaintance told me. What is the relationship with the respondent? _____	
Other sources of information Which one? _____	

#### SECTION 4 IMPACTS

4.1 What have been the impacts of the CFDC/CEDC/BDC assistance on :

	Positive	Neutral	Negative
Your access to financing			
Your number of employees			
Your sales volume			
Your organization and management			
Your market development			

4.2 Complete the sentence : " Without the assistance of the CFDC/CEDC/BDC, my project or the answering to my questions... " ?

Would have failed	
Would have evolved at a slower pace	
Would have evolved in the same way	
Other, specify : _____	

Explain :

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**SECTION 5 RELEVANCE**

5.1 Did you benefit from other assistance, besides that of the CFDC/CEDC/BDC, for the development of your project or enterprise over the period 2000-2002?

Yes	No

If yes, from which organizations or programs did you receive assistance?

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5.2 Do you think the CFDC/CEDC/BDC has offered you a type of assistance that you could not have found elsewhere with organizations of your region?

Yes	No

If no, indicate from which organizations or programs you could have received the same type of assistance.

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5.3 Do you think the CFDC/CEDC/BDC should broaden the scope of services it provides?

Yes	No

If yes, specify which type of services should be offered according to you :

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**SECTION 6 SATISFACTION**

6.1 Indicate your level of satisfaction with regard to the management and administration of the program on the part of the organizations (check).

	Very satisfied	Satisfied	Indifferent	Dissatisfied	Very dissatisfied	Doesn't know
Administrative procedures (before, during and after the services)						
Delays of treatment of the demand						
Follow-up procedures in the course of the project						
Follow-up procedures after the completion of the project						
Relationships with agents						
Publicity, promotion, information on the organization						

Other comments :

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6.2 Indicate your level of satisfaction with regard to the assistance provided by the organizations (check).

	Very satisfied	Satisfied	Indifferent	Dissatisfied	Very dissatisfied	Doesn't know
Type of assistance provided						
Assistance obtained compared to expectations						
Assistance obtained compared to needs						

Other comments :

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***Thank you !***

APPENDICE IV

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**Performances Measurement Strandardized  
Frameworks**

## Appendix 4 - On-going Performance Measurement Framework

In the context of the present evaluation and given the weaknesses identified with respect to the measurement of the initiative's results and performance, this appendice presents two performance measurement frameworks which should contribute to a better definition and evaluation of expected and actual results. First, an overall review of the appendice 5 currently used in the contracts between CED and the partner organizations should be undertaken. This could be done at the end of the present contracts and prior to the renewing of future ones. The following table could be used as a guide for the remodelling of the current performance measurement framework.

**Table 4.1 - On going - Performance Measurement Framework - Organizations**

	Indicators	Expected Results (complete at the renewing of the contract)	Actual Results (complete at the end of the contract )
Basic Coverage	1 - Number of reception and referral activities		
	2 - Number of accompaniment and studies activities		
	3 - Number of public awareness and information activities		
	4 - Number of promotion activities		
	5 - Number of representation activities within the community		
CDP Services	1 - Number of technical assistance cases		
	2 - Number of financial assistance cases		
	3 - Number of jobs created or maintained through those services		
	4 - Total value of loans awarded over the period of the contract.		
	5 - Spin off effects from the financial assistance provided over the period of the contract		

Finally, in order to facilitate the collection of data and completion of the performance measurement table, a second standardized measurement framework could be integrated in the contracts between the organizations and the clients ,benefiting from the program. Although this procedure should not be extended to all clients, it appears important to implement such follow-up methods in cases warranting close supervision on the part of the organizations and for projects demonstrating high potentials of realization. In this perspective, the organizations should contact the clients with whom they have an on-going or completed project in order to collect information on the perceived impacts of the services they received through the program. This would help the organizations identify all past and current clients of the initiative and contribute to the creation of a database on the program's medium and long term impacts. Following this, the framework could be applied to all new projects and be presented as a set of mandatory information to be provided by all future clients.

**Table 4.2 - On-going Performance Measurement Framework - Clients**

IMPACTS	Present Situation	Expected Results			Actual Results		
		Yr 1	Yr 2	Yr 3	Yr 1	Yr 2	Yr 3
Number of employees: <i>Full Time</i>							
Number of employees : <i>Part Time</i>							
Revenues							
Other:							