



**MID-TERM EVALUATION OF
THE CANADIAN INITIATIVE
FOR THE ECONOMIC
DIVERSIFICATION OF
COMMUNITIES RELIANT ON
CHRYSOTILE**

2017



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List of Acronyms

CED	Canada Economic Development for Quebec Regions
CFDC	Community Futures Development Corporation
MDDELCC	<i>Ministère du développement durable, de l'environnement et de la lutte aux changements climatiques du Québec</i>
MESI	<i>Ministère de l'économie de la science et de l'innovation du Québec</i>
MAMOT	<i>Ministère des affaires municipales et de l'occupation du territoire du Québec</i>
MSP	<i>Ministère de la sécurité publique du Québec</i>
NPO	Non-Profit Organization
QEDP	Quebec Economic Development Program
RCM	Regional County Municipality
SME	Small and Medium Enterprise

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Summary

Canada Economic Development (CED) supports economic activity in Quebec communities experiencing economic shocks or where there are major economic development issues or promising opportunities for development.

This report presents the results of the Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile (hereinafter referred to as “the Initiative”).

What needs did the Initiative target? Do these needs still exist?

- ❑ Following significant job losses in the mining sector, the two RCMs targeted by the Initiative required diversification efforts, business support and infrastructure implementation.
- ❑ The needs that existed at the launch are still present.
- ❑ The assistance is progressing as planned: at year 3 of the 7-year Initiative, 22% of the envelope has been spent.
- ❑ The business and infrastructure projects supported by CED were in various industrial sectors. CED's assistance was essential to the delivery of the majority of these projects.

To what extent does the Initiative complement available funding services? Is the federal government's role necessary?

- ❑ The Initiative complements the Government of Quebec “Fonds de diversification économique de la MRC des Sources” program.
- ❑ Regarding the funding programs available to proponents, three observations emerge: 1) half of respondents did not try to obtain funding elsewhere; 2) the projects have few financial partners; and 3) CED conditions were advantageous.
- ❑ An on-site presence of a dedicated team helped establish collaboration that was deemed excellent by partners.

To what extent is the Initiative in line with the Government of Canada's priorities?

- The Initiative responds to the government priorities in its Economic Action Plan and is in line with CED's strategic outcome of contributing to the economic growth of the regions of Quebec.

To what extent has the Initiative contributed to the achievement of the expected results? What factors (internal or external) contributed to, or hampered, the achievement of results?

- While the Initiative does not have any targeted results, the preliminary results are positive. The leverage effect is \$1.52, and all the businesses that received assistance have increased their sales and maintained or increased their number of employees.

Did any issues arise or were there any facilitating factors during the development or implementation of the Initiative? Were there any lessons learned?

- Overall, the Initiative was successfully developed and implemented. This resulted in flexibility in the eligibility criteria, which allowed it to meet the needs.
- The human and financial resources dedicated to the Initiative and frequent travel of the on-site team create favourable conditions for the implementation of such an initiative.

Recommendations and Timeframes

- **Recommendation 1:** In order to be able to measure the achievement of results in the summative evaluation foreseen in 2021-2022, CED should identify outcome targets for this initiative. Also, CED should systematically set targets for its programs and initiatives as they are created.
 - Deadline : June 30, 2018

- **Recommendation 2:** Given the successful development and implementation of this initiative, CED should plan an additional operating budget to ensure the active presence of a dedicated team on the ground for future, similar initiatives.
 - Ongoing

Introduction

For many years, the chrysotile asbestos industry was a major employer in the communities of Thetford Mines (Des Appalaches RCM) and Asbestos (Des Sources RCM) in the province of Quebec. Since many countries prohibited its use due to health concerns identified by the World Health Organization, the demand for chrysotile asbestos decreased significantly.

The decrease in demand led to a suspension of mining activities in this sector.¹ Due to the decline of the industry, these two RCMs have been looking for ways to diversify their local economies and create new jobs.

In 2011, the last two chrysotile asbestos mines closed, leading to job losses. In September 2012, the Government of Canada announced that it would no longer challenge the inclusion of chrysotile in Schedule II of the Rotterdam Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in the International Trade (hereinafter referred to as “the Rotterdam Convention list”). Then, in March 2013, the Government of Canada proposed the Economic Action Plan to provide \$50 million to CED to implement the *Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile*.

The evaluation report is divided into six sections. The first section describes the delivery approach and outlines the terms and conditions of the Initiative. The second section outlines the components of the evaluation strategy. The three subsequent sections present the findings with regard to the Initiative’s relevance, effectiveness, and efficiency. Finally, section 6 presents an action plan.

1. Description of the Initiative

Delivery approach

The Initiative took effect on June 11, 2013 and will end on March 31, 2020. The \$50 million budget envelope supports the Des Sources and Des Appalaches RCMs communities through the chrysotile industry and assists

¹ Alana Wilson, Fraser Institute, published in *Le Devoir*, July 27, 2012 edition, <http://www.ledevoir.com/economie/actualites-economiques/355443/une-activite-economique-non-rentable> [Available in French only]

them in their transition to promote economic growth, particularly through the creation and strengthening of businesses. The Initiative's total envelope consists of \$47.1 million in grants and contributions and \$2.9 million in operating expenses.

The Initiative has two components: 1) the economic development projects, aside from public infrastructure, submitted by businesses and organizations and 2) public infrastructure projects. CED's endeavours should be carried out with a view to consistency and complementarity with all federal departments and agencies and the Government of Quebec; which also announced \$50 million for Des Sources RCM. The distribution of provincial funds been taken into account in CED's allocation of funds.

As of March 31, 2016, 33 projects had been approved, totalling \$23.1 million in authorized assistance for 19 small and medium enterprises (SMEs) and 14 not for profit organizations (NPOs) (one SME and one NPO carried out two projects each). Among the projects that received funding was a \$5.1 million agreement with *Capital Expansion Région Thetford* (CERT) for the creation of new venture capital funds for businesses in the Des Appalaches RCM.

Terms and conditions

To be eligible, the projects had to be carried out in the Des Sources RCM or the Des Appalaches RCM. Besides the activities authorized under the two pillars of the Quebec Economic Development Program (QEDP), namely "Business Development" and "Regional Economic Development", public infrastructure projects were also eligible. Eligible activities could include acquisitions, upgrades or facilities (construction) of the following infrastructure: roads, drinking water treatment and distribution systems, solid waste management and wastewater treatment centres and any other type of public infrastructure. The assistance rate was the same as in the QEDP and the stacking limit of assistance could be up to 50% for SME capital projects, 75% for any other type of SME project and 100% for NPO projects. The QEDP's usual funding terms and conditions were more flexible: a longer payment exemption period (three years instead of two years) and a longer repayment period (seven years instead of five years).

2. Evaluation Strategy

Evaluation Mandate and Strategy

When the Initiative was being developed, CED committed to conducting an evaluation as part of the QEDP evaluation in 2016-2017, and providing an update on results in the QEDP evaluation in 2021-2022. The evaluation focuses on all 33 projects approved between June 11, 2013, and March 31, 2016.

Methodology

The evaluation focuses on the 33 projects approved as of March 31, 2016. The evaluation exercise is based on an analysis of administrative data, a literature review, interviews and a survey. The objectives and parameters of the selected information-gathering tools are presented in Table 1.

Limitations of the Evaluation

- ❑ One fifth of the funding has been spent ($\$10.8 \text{ million} / \$50 \text{ million} = 22\%$) and 12 of the 33 projects had not yet been completed at the time of the evaluation. Only six projects were completed over two years ago;
- ❑ The Initiative does not have any targeted results;
- ❑ The evaluation focuses more on the implementation and the immediate results than on the intermediate and final results. Given that intermediate results are only measured two years after the end of the project, the evaluation took into account the preliminary results of the three projects that have been completed for over a year;
- ❑ To mitigate these limitations, data from several sources was analyzed to generate evidence-based findings.

Table 1
Objectives and Parameters of the Information-Gathering Tools

Information-Gathering Tool	Objectives	Parameters
Analysis of administrative data	Confirming business profiles and supplement survey data	<ul style="list-style-type: none"> □ Examples of documents consulted: <ul style="list-style-type: none"> ▪ Project analysis and funding package ▪ Media review ▪ Feasibility plan
Literature review	Cross-examining the identified needs and their alignment with government priorities	<ul style="list-style-type: none"> □ Examples of documents consulted: <ul style="list-style-type: none"> ▪ Evaluation reports ▪ Official federal government documentation
Interviews	Obtaining the viewpoint of various stakeholders regarding the Initiative's relevance, efficiency and effectiveness.	<ul style="list-style-type: none"> □ Seven semi-structured interviews □ Four types of stakeholders interviewed <ul style="list-style-type: none"> ▪ CED representatives ▪ Funders ▪ Community stakeholders ▪ CED clients
Survey	Obtaining the viewpoint of clients regarding the implications of the Initiative and the impact on their organizations	<ul style="list-style-type: none"> □ 21 respondents (13 SMEs and 8 agencies) to the survey conducted between May and July 2016 by a specialized firm

3. Findings with Respect to Relevance

What were the needs targeted by the Initiative?

- Following significant job losses in the mining sector, the two RCMs targeted by the Initiative required diversification efforts, business support and infrastructure implementation.

From 2009 to 2014, the Des Sources and Des Appalaches RCMs saw a smaller increase in population growth than in the province of Quebec (see Table 2). From 2002 to 2014, the median income of the population in Des Appalaches RCM and Des Sources RCM increased, while remaining lower than in Quebec (around \$5,000 less). During the same period, the employment rate in the Des Sources RCM decreased. The overall economic vitality of these two RCMs is weaker than in the province of Quebec. According to two community stakeholders interviewed, significant job losses in the mining sector required diversification efforts, business support, and infrastructure implementation.

Table 2

Changes in Three Economic Vitality Indicators from 2002 to 2014²

	Median income 2014	Variation in median income 2002 to 2014	Average annual population growth, 2009-2014	Variation in the employment rate 2002-2014)
Des Appalaches RCM	\$27,139	+43,9 %	-1,3 %	+1,3 %
Des Sources RCM	\$24,979	+32,6 %	+1,3 %	-0,4 %
Province of Quebec	\$31,714	+43,3 %	+9,3 %	+0,5%

Source: Institut de la Statistique du Québec, 2015.

The Des Sources RCM, whose largest city is Asbestos, is located in the Estrie region and faces many challenges, such as its aging population and the devitalization of its industrial fabric. The community was unable to diversify following the slowing of mining activities, including the closing of the Jeffrey mine, which was the largest employer in the region. The primary sector dominates (mining and agriculture), but the development of secondary and tertiary industries in the area of food processing and tourism products and activities remains possible. However, the Des Sources RCM is isolated from the major road networks.

The Des Appalaches RCM, whose largest city is Thetford Mines, is located in the Chaudières-Appalaches region and is progressively diversifying from mining to service and manufacturing industries. However, the community is facing the following challenges: low productivity, low average income, little

² ISQ, December 2016, http://www.stat.gouv.qc.ca/statistiques/economie/indice-vitalite-economique/index_an.html

population growth and an aging population. In addition, even though the RCM is located halfway between Québec City and the American border, there is no major route directly connecting it to the major road networks. Nevertheless, the community has assets that could support growth, such as a CÉGEP and two college technology transfer centres, as well as ecotourism and adventure tourism.

Are the needs that existed at the launch of the Initiative still present?

- ❑ The needs that existed at the launch are still present.

The needs identified at the launch of the Initiative are still present. According to a Des Appalaches RCM stakeholder, economic infrastructure must be implemented and diversification efforts must continue. This was reiterated by a person responsible for implementation at CED who added that the Des Sources RCM must attract and launch new businesses. Entrepreneurs who answered the survey and who were interviewed mentioned the following needs: needs related to purchasing equipment, automation and operational efficiency and expansion.

To what extent did the Initiative meet the needs?

- ❑ The assistance is progressing as planned: at year 3 of the 7-year Initiative, 22% of the envelope has been spent.
- ❑ The business and infrastructure projects supported by CED were in various industrial sectors. CED's assistance was essential to the delivery of the majority of these projects.

The assistance under the two components is progressing as planned. At year 3 of the 7-year Initiative, 49% of funding has been authorized. The breakdown of projects and assistance by component as of March 31, 2016 is presented in Table 3.

Table 3

Projects and Assistance by Component as of March 31, 2016

Components	Number of projects	Authorized Assistance
Businesses and Organizations Component	26	\$14,976,284
Infrastructure Component	7	\$8,141,556
TOTAL	33	\$23,117,840

Source: Hermès

Under the businesses and organizations component, CED supported 18 business projects (one business carried out two projects) and seven organization projects. Except for one project located in the Des Sources RCM, all the projects in this component are located in the Des Appalaches RCM. The investment fund project, awarded to an organization, was also carried out in the Des Appalaches RCM.

Under the infrastructure component, six organizations and one business³ received assistance to carry out seven projects, two of which have been completed:

- Three projects under the infrastructure component are located in the Des Sources RCM and four in the Des Appalaches RCM.
- The Des Sources RCM: \$354,786 project (\$280,000 in non-repayable contributions from CED) for the redevelopment and expansion of the Mont-Ham regional park visitor centre.
- The Des Appalaches RCM: \$536,851 project (\$200,000 in non-repayable contributions from CED) for the construction of a new building in the industrial park at Theftord Mines to attract new investment projects.

The main focus of these projects was productivity and expansion through the acquisition of equipment, computer and technology tools and the redevelopment or construction of facilities (see Table 4). One of the key projects was the business incubator whose purpose was to assist entrepreneurs in creating and starting their businesses.

³ Gaz Métro for a gas pipeline for the Asbestos industrial park.

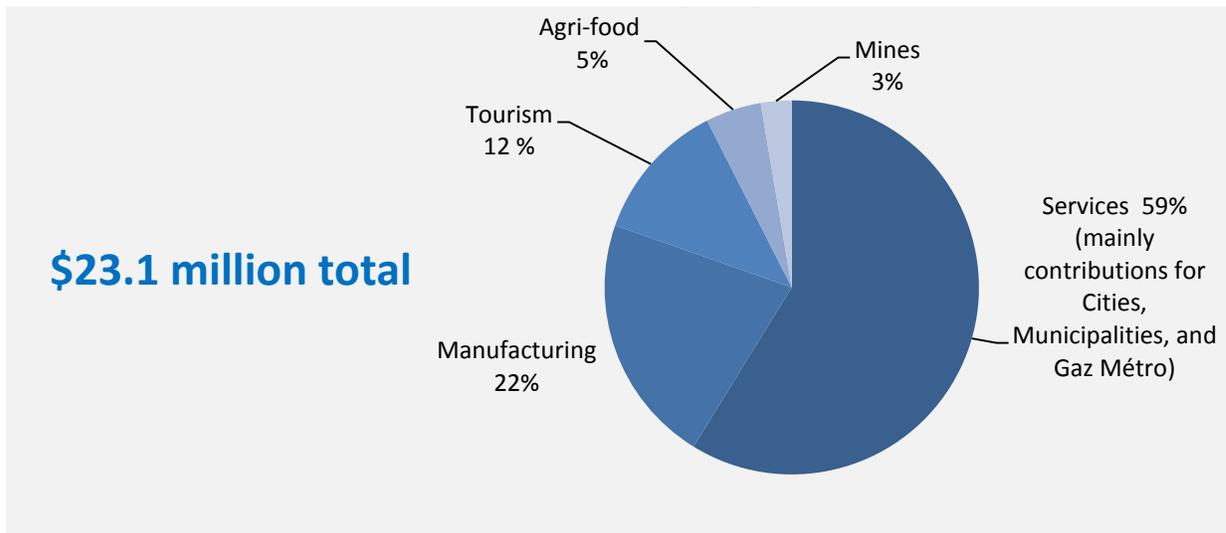
Table 4
Number of Projects based on Activities

Key Activities by Project	Number of Projects
Acquisition of equipment, computer and technology tools	13
Redevelopment or construction of facilities	9
Capital acquisitions	2
Upgrading or expanding facilities	2
Guidance and consulting services	2
Development of strategies (intelligence, specifications, studies, diagnoses or action plans)	1
Development of a marketing strategy (product, price, distribution, advertising)	1
Capitalization of a business or investment in a fund	1
Pre-commercialization activities	1
Business incubation	1

Source: Hermès

The businesses and organizations that benefited from the Initiative are in various industrial sectors (see Figure 1). The majority of authorized assistance is nevertheless concentrated in the service sector.

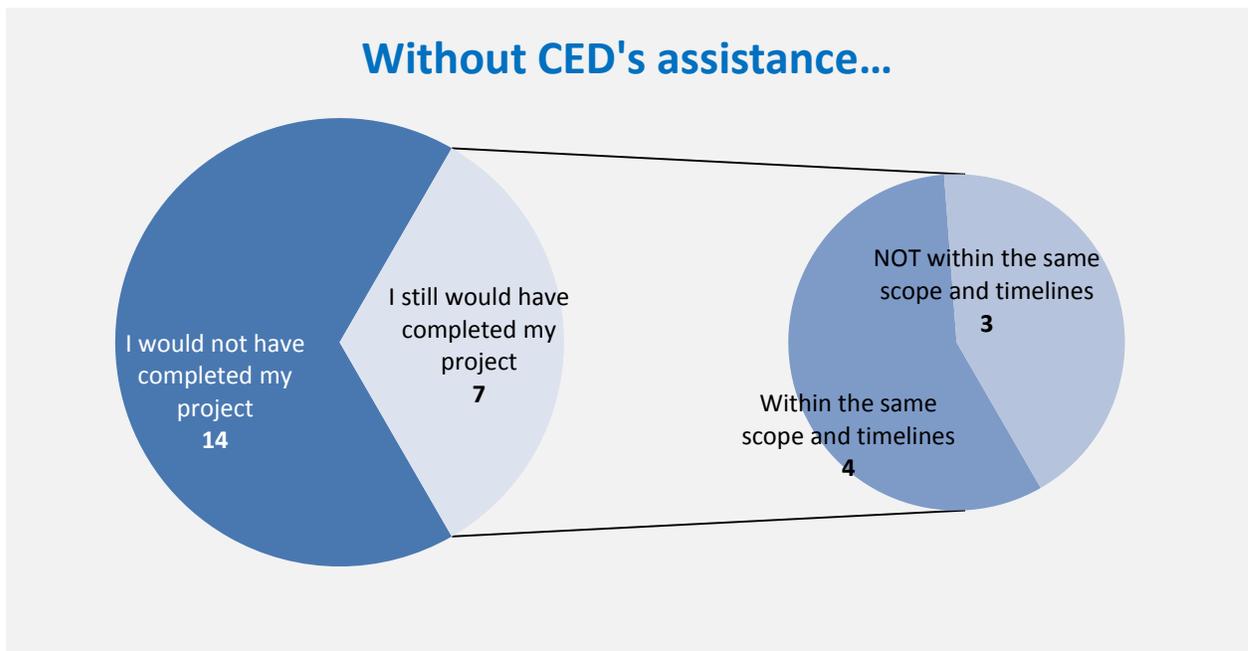
Figure 1
Authorized Assistance as of March 31, 2016 (in %)



Source: Hermès

In addition, the responses to the survey demonstrated that CED's assistance was necessary: 14 of 21 respondents stated that they would not have completed their project without CED's assistance and three out of the seven other respondents said that they still would have completed their projects but not within the same scope and timelines (see Figure 2).

Figure 2
Incentive nature of CED's assistance



Source: Hermès

This data is corroborated by the respondents interviewed. Without CED, the financial partner interviewed said that they would not have funded one out of the two projects for which they were a partner and that for the other project, the business would have had to provide more capital.

Four survey respondents said that CED adapted its funding conditions to meet their needs by extending the exemption period before repayment. The stakeholders interviewed also wanted to see the Initiative maintained since the region still had needs, mainly to attract businesses.

**To what extent does the Initiative complement available funding services?
 Is the government's role legitimate and necessary?**

- The Initiative complements the Government of Quebec “Fonds de diversification économique de la MRC des Sources” program.
- Regarding the funding programs available to proponents, three observations emerge:
 - half of respondents did not try to obtain funding elsewhere;
 - the projects have few financial partners;
 - the CED conditions were advantageous.

In total, the breakdown between the RCMs is four projects for Des Sources RCM (\$4.9 million) and 29 projects in the Des Appalaches RCM (\$18.2 million). CED's action complements the Government of Quebec's action, which had announced \$50 million for Des Sources RCM.⁴

In the survey, 12 out of 21 respondents said that they did not try to obtain funding from other funders whereas nine others said they had made requests to financial institutions (five respondents), provincial organizations (four respondents), to Quebec's Ministry of Economy, Science and Innovation (MESI) and local organizations (three respondents). In addition, 15 out of 21 respondents said that the main reason they asked CED for financial support was because its funding conditions were advantageous given the scope of the funding, the exemption period and the repayment period. This was corroborated by the interviews. The proponents interviewed said that the conditions were advantageous given the lack of interest and exemption period before repayment begins.

For other respondents, the main reason for their CED funding application was that they needed the support to complete the financial package for their project (three respondents), that CED's funding was conditional in order to obtain funding from another funder (two respondents) or that all funders contacted beforehand had refused to fund their project (one respondent).

For the financial package, CED's internal database indicates that 51% of the projects had only one other funder or no other funders and the rest had

⁴ <https://www.economie.gouv.qc.ca/pages-regionales/diversification-economique-de-la-mrc-des-sources/fonds-de-diversification-economique-mrc-des-sources/> [Available in French only]

two or more (see Table 5). Among the projects funded by CED, financial institutions and Revenu Québec were the partners that contributed to the largest number of projects (see Table 6).

Table 5
Number of Partners per Project

Number of Partners	Number of Projects	Total % of projects
Projects with no partners	8	24%
Projects with only one partner	9	27%
Projects with 2 partners	7	21%
Projects with 3 partners	6	18%
Projects with 4 or more partners	3	9%

Source: Hermès

Table 6
Partners per Project (one project can have more than one partner)

Financial Partners	Number of Projects	Total amount	Total %
Financial institutions	18	\$7,399,385	39%
Revenu Québec (tax credits)	12	\$1,500,430	8%
Municipality	8	\$912,281	5%
MESI	3	\$253,577	1%
Local development centre	2	\$57,863	0%
FIER	2	\$300,000	2%
Investissement Québec	2	\$2,250,000	12%
BDC	2	\$1,003,500	5%
Others	8	\$5,508,689	29%
Grand total		\$19,185,725	100%

Source: Hermès

Regarding the funding programs available to proponents, three observations emerge:

- ❑ half of respondents did not try to obtain funding elsewhere;
- ❑ the projects have few financial partners;
- ❑ the CED conditions were advantageous.

What was the degree of co-operation and consultation between CED and its partners for the implementation of the Initiative?

- ❑ An on-site presence of a dedicated team helped establish collaboration that was deemed excellent by partners.

A dedicated team from CED was set up and visited the targeted RCMs regularly in order to get a clear understanding of needs and assist the businesses and organizations. The community's expectations for the Initiative were high and the establishment of good relationships increased the effectiveness of its implementation. For example, one community organization contributed to the implementation of projects by liaising with CED and the proponents. The survey respondents and individuals interviewed applauded the excellent co-operation between CED and the other funders.

To what extent is the Initiative in line with government priorities?

- ❑ The Initiative responds to the government priorities in its Economic Action Plan and is in line with CED's strategic outcome of contributing to the economic growth of the regions of Quebec.

The objectives of the Initiative are in line with the government priorities in its Economic Action Plan 2013: "support the economic transition of communities economically linked to the chrysotile asbestos industry". In this seven-year plan, the federal government proposed contributing \$50 million to CED to support its diversification efforts in Thetford Mines and Asbestos.

The Minister of Innovation, Science and Economic Development's November 2015 Mandate Letter stated that "for those communities that

have relied heavily on one sector in the past for economic opportunities, investments that support transition and diversification may be appropriate." The Des Appalaches RCM has been reliant on asbestos fibre for decades. For over 100 years, asbestos mines have employed thousands of workers. A long decline began shortly after 1980 and the last asbestos fibre mine operating in this region closed its doors in 2011 following a near universal banning of this fibre. In this regard, the Initiative is in line with the government priorities to support economic transition of communities economically linked to the end of the chrysotile asbestos industry.

The Initiative is also in line with one of CED's strategic results, namely to contribute to the economic growth of the regions of Quebec, as well as with its final outcome targeting the strengthening of the economy. It is consistent with the CED's targeted results and complements the roles played by other provincial and federal stakeholders.

4. Findings with Respect to Effectiveness

To what extent has the Initiative contributed to the achievement of the expected results? What factors (internal or external) contributed to, or hampered, the achievement of results? Were there additional positive or negative impacts?

- ❑ Even though the Initiative does not have any targeted results, the preliminary results are positive.
- ❑ The leverage effect is \$1.52 and all the businesses that received assistance have increased their sales and maintained or increased their number of employees.

Even though the Initiative does not have any targeted results, the preliminary results are positive. The total value of the authorized financial contributions excluding the \$5.1 million fund to *the Espace entrepreneuriat région Thetford* (the results of this fund are presented separately in the next section) is \$18 million for total investments of \$45.4 million in supported

businesses and organizations. Each dollar invested by the Initiative generated \$1.52 in investments.⁵

The Initiative allowed for the launch of an innovative business incubator in the Thetford Mines region where various entrepreneurship services are centralized. The project has been successful given the waiting list of entrepreneurs who wish to benefit from the incubator. One proponent said that his project enabled him to develop new markets and to expand his distribution network.

Of the 33 projects funded, only 9 were completed as of December 1, 2016 and only 6 of those had been completed for 2 years or more (5 SMEs and 1 PNO). According to the businesses' financial statements, the five SMEs assisted increased their sales by 10%, 37%, 67%, 70% and 290 % respectively. In total, the sales of these businesses increased by \$3.2 million. Six survey respondents said they increased their number of employees in their business and two respondents said that they maintained the same number of employees.

The factors facilitating the achievement of results mentioned during the interviews and in the survey were the weak Canadian dollar compared to the American dollar, market development, exports and marketing. Some mentioned availability, co-operation and assistance from CED whereas others attributed the achievement of results to internal business factors, such as the work and involvement of their teams. In terms of additional positive impacts on the region, respondents noted the attraction of a specialized workforce and the creation of drive and excitement for entrepreneurship in the community.

Results of the \$5.1 million *Capital Expansion région Thetford (CERT)* investment fund:

As of March 31, 2016, a little less than a year after the implementation of the investment fund, \$1.7 million out of the \$5.1 million had been spent. According to an administrative document provided by the proponent dated November 2016, eight projects had been carried out. The total value of the financial contributions allocated for these eight projects was \$1.4

⁵ Leverage effect of \$1.52 is calculated using the following formula: $(\$45,364,332 \text{ of total investment} - \$18,032,840 \text{ of contributions paid}) / \$18,032,840 \text{ of contributions paid}$.

million for total investments of \$6 million in the funded businesses and organizations. The leverage effect is \$3.18: each dollar invested by CED generated \$3.18 in investments.⁶

In short, the preliminary results of the Initiative are partial but positive, less than half of the Initiative's funds have been allocated. A project for which CED contributed \$3.3 million (total value of \$4.1 million) enabled the natural gas conversion of businesses currently located in the industrial park and has potentially attracted new businesses with the construction of a 7.5 km long expansion of the existing distribution network. The natural gas conversion has enabled businesses to reduce their energy costs.

5. Findings with Respect to Efficiency

Did any issues arise or were there any facilitating factors during the development or implementation of the Initiative?

- ❑ Overall, the Initiative was successfully developed and implemented. This resulted in flexibility in the eligibility criteria, which allowed it to meet the needs.

According to one of the people responsible for its implementation, the Initiative was successfully developed, which allowed it to meet needs. According to a community stakeholder and proponent, CED could have made more non-repayable contributions to SMEs and from the outset, many expected the Initiative to offer this type of contribution. During the announcement of the Initiative, CED officials stated that assistance for SMEs would be through repayable contributions but that the usual QEDP terms and conditions would be more flexible, such as the repayment exemption period and longer repayment periods. One person responsible for the implementation said that greater flexibility could have been planned to allow CED to transfer funds between the two components of the Initiative, which was not planned at the outset.

⁶ Leveraged effect of \$1 for \$3.18 is calculated using the following formula 1: $(\$6,048,978 \text{ of total investment} - \$1,447,000 \text{ of contributions paid}) / \$1,447,000 \text{ of contributions paid}$.

The implementation of the Initiative was successful except for some projects with longer turnaround times. According to the internal data, the times calculated between submission of the completed application and the approval date were 52 days on average for all projects, which is within the 65-day service standard. However, 4 projects had high turnaround times, i.e. 150 days in three cases and 289 days in one case. A strong majority of survey respondents stated they “somewhat agreed” or “strongly agreed” that the turnaround times were reasonable, the service was accessible, the information provided met their needs and the formalities were simple and easy to understand. Certain survey and interview respondents indicated that the turnaround times were long but that it did not seem to be a recurring problem. In terms of satisfaction, two community stakeholders mentioned that the proximity of persons responsible for the implementation from CED allowed them to adequately understand the issues in their territory.

Were any lessons learned from the development and implementation of the Initiative?

- ❑ The human and financial resources dedicated to the Initiative and frequent travel of the on-site team create favourable conditions for the implementation of such an initiative.

The persons responsible for the implementation at CED stated that involvement in the community, ensuring a presence, and listening, are important factors in the implementation of initiatives such as this. In their view, this presence helps to foresee projects, tailor activities to needs and ensure complementarity with the other stakeholders. Community and client satisfaction with respect to collaboration reflects the positive results of this approach. To ensure an on-site presence, a dedicated team is required, along with an operating budget to cover frequent travel costs.

6. Action Plan

Recommendations	Management Response	Deadline
<p>In order to be able to measure the achievement of results in the summative evaluation foreseen in 2021-2022, CED should identify outcome targets for this initiative. Also, CED should systematically set targets for its programs and initiatives as they are created.</p>	<p>In the context of the new Policy on Results, the results targets for future initiatives will be identified at the design stage of initiatives to ensure consistency with departmental outcomes and CED interventions.</p>	<p>Within new initiatives, the new templates that are prescribed for Memorandum to Cabinet and Treasury Board submissions provide an appendix for the results, indicators and targets.</p>
	<p>In addition, targets and indicators will be developed for Chrysotile and Lac-Mégantic initiatives, in line with the requirements of the Policy on Results.</p>	<p>June 30, 2018</p>
<p>Given the successful development and implementation of this Initiative, CED should plan an additional operating budget to ensure the active presence of a dedicated team on the ground for future, similar initiatives.</p>	<p>Within the context of initiatives aimed at supporting communities experiencing major economic development issues, CED recognizes that it needs to pay particular attention when it comes to listening to needs and working with stakeholders to ensure the effectiveness of its activities. With this in mind, dedicated resources should be planned to ensure an active presence on the ground.</p>	<p>Ongoing</p>

Responsibility Centres Concerned

- Policy, Research and Programs Branch (PRPB)
- Business Development and Infrastructure Branch (BDI)

