

Evaluation of the Community Futures Program

Western Economic Diversification Canada

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Grant Thornton 

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Executive Summary

A significant transformation and restructuring is being witnessed across all levels of government in Canada. Key underpinnings to this fundamental change have been demonstrating results for the resources provided (i.e., financial and non-financial), transparency, and alternative delivery of programs and services.

Consistent with these trends, and in accordance with a Treasury Board decision (May, 2000) as well as observations made by the Office of the Auditor General in her December 2001 report, Western Economic Diversification Canada (“WD”) has committed itself to both an audit and evaluation of the Community Futures Program (“Program”).

Background to the Review

Established in 1986 by what is now Human Resources Development Canada, the Program is currently managed in the Western Canada region by WD and supported at an operational level through ninety Community Futures Development Corporations (“CFDCs”). These CFDCs are non-profit corporations that receive core-funding assistance from WD.

In keeping with the directive from Treasury Board and the findings of the Auditor General, as well as impending decisions over future funding, WD required an evaluation that would provide senior management with information on the alignment and clarity of strategic directions and priorities, management and delivery, and results of the Program. There were three broad areas of focus for the evaluation, namely:

- ❑ **Strategic alignment and clarity** — the degree of alignment and clarity of Program priorities and strategic directions with those of WD and the Federal government as well as CFDCs.
- ❑ **Management and delivery** — the allocation of resources and appropriateness of a community-based service delivery model coupled with the state of monitoring and reporting practices.
- ❑ **Results** — degree to which client and community needs and expectations with respect to the level and quality of service are being met, and impacts on local communities and businesses.

To properly gauge the extent to which criteria in each of these areas were being met, information was collected from multiple sources using a variety of techniques, including twenty CFDC site visits that resulted in focus groups with over 130 service clients and interviews with more than 100 Board members, managers, staff and local partners. The results of these various assessments were incorporated into this report, along with recommendations for future action.

Grant Thornton LLP would like to thank the many individuals who were willing to participate in this evaluation, in particular the management and staff of the CFDCs as well as Audit and Evaluation, WD. Without their invaluable contribution, this evaluation would not have been possible.

Overall Conclusion and General Findings

The results of the evaluation demonstrate that the Program has generated positive results for businesses, entrepreneurs and communities, continues to have a strong rationale, and is supportive of the strategic directions and priorities of both WD and the Federal government.

Although the manner in which strategic directions are translated into specific priorities, programming and service delivery varies among CFDCs, there remains a general consistency with the intent of the Program, WD and the Federal government. It was also found that the community based service delivery model for the Program was highly valued with regional Boards that engage local interests and build community capacity, strong management, and innovative partnerships and projects that are generally viewed as complementary to other regional and community-based agencies and institutions. With respect to maintenance of the current CFDC network, the general consensus among respondents was that this is critical for addressing the service needs of rural communities. Along these same lines, clients indicated a high level of satisfaction with the level and quality of services. The majority of respondents further indicated that the Program demonstrated positive outcomes in terms of the creation and maintenance of jobs, new business start-ups and retention, importation and maintenance of wealth in the regions, and improved community planning and prosperity.

A number of associated issues must be accounted for though, to ensure that the Program and, in turn, the CFDCs are both effective and sustainable over the longer term.

- Due in part to financial pressures, a number of CFDCs have reported that they are no longer strategically committed to serving as the “lender of last resort” to entrepreneurs and new business ventures. Rather, there is a growing emphasis on managing loan portfolios in a manner that serves to reduce the risk of unrecoverable

debt and increases the return on these funds.

- There is a need for further collaboration among CFDCs in terms of sharing resources and best practices, and in strengthening partnerships with local groups and communities (e.g., Aboriginal groups).
- The provision of core funding is commonly acknowledged as being critical to the ongoing viability of the vast majority of the CFDCs. However, the degree to which this core funding is considered sufficient to cover the scope and geographic areas of service as well as the requirements stipulated in the contribution agreements is questionable. This constrains, in turn, the ability to service more remote areas with distant communities, to attract and retain key staff, to provide staff with adequate professional development opportunities, to commit to longer-term projects, and to engage in community economic development initiatives.
- The governance model varies among CFDCs, ranging from more of a Carver policy-based framework to “hands-on” director involvement. Such differences also exist in the level of representation, recruitment and turnover at a Board level.
- The majority of Board respondents reported that CFDC managers demonstrated strong capabilities and performance, although the attendant risk is that the loss of a competent senior manager in the absence of any succession plan could have a significant and detrimental effect on the operations of the office.
- With some notable exceptions, particularly in Saskatchewan, respondents described provincial associations as providing needed support and value. However, improved communications over the role and contributions of the associations, especially the Pan West association, are warranted given uncertainty expressed over mandates and services. In the case of the Pan West association, this may reflect both the need for enhanced communications and that this institution is less mature in its development.
- There is a need for further refinement of the measures of performance used in the Program, and as reported by CFDCs. This would entail the use of a smaller set of metrics that are both relevant and targeted towards the key decisions to be made. Frustration was also expressed by a majority of management and senior staff respondents over the monitoring and reporting process being too time and resource intensive. Inconsistencies in statistics, and between templates that are used and reporting formats, has resulted in what is seen to be a “very bureaucratic process”.
- There was a general lack of certainty among CFDC Board, management and senior staff respondents as to the use of reported information by WD for decision-making.
- A general lack of awareness among the communities and in relation to the Program and CFDC services was also raised as a concern. The attendant risk to be managed, however, is the creation of demand for services through successful outreach that might exceed what can be provided using available resources.

Overall, there is a need to address the implications for future delivery of services under the Program given funding constraints as well as consistency in governance, the level of engagement among CFDCs and with First Nations, succession of senior management, performance measurement and reporting, and further outreach. With respect to the associations, improved communications over their roles, mandates and services is also warranted.

The main report describes more fully our findings in relation to the key areas of focus for this evaluation.

The Way Forward

Building off of the findings from this evaluation, the following general recommendations for action by WD were identified:

1. Continue to financially support the CFDC network and the Program.
2. Establish a long-term funding mechanism between the Federal government, WD and the Program.
3. Provide for funding augmentation based on specific CFDC attributes (i.e., large service areas with remote and dispersed communities, an absence of partners in areas with relatively small populations, limited abilities to pursue alternative sources of funding, etc.).
4. Establish a standard governance model that incorporates “best practices” and that can be adopted by CFDCs.
5. Refine the current set of performance measures, and streamline monitoring and reporting requirements for CFDCs with more of a focus on quarterly reports that draw on a core subset of measures coupled with an annual report.
6. Provide for more regular and consistent feedback on CFDC performance.
7. Promote the investigation of opportunities for more proactive outreach among CFDCs, and by CFDC associations.
8. Develop and distribute a general strategy to recruit, retain and provide for the succession of the best and brightest Program personnel.

Introduction and Approach

A significant transformation and restructuring is being witnessed across all levels of government in Canada. Key underpinnings to this fundamental change have been demonstrating results for the resources provided (i.e., financial and non-financial), transparency, and alternative delivery of programs and services. This has translated into a challenge for public sector executive and managers to clearly define and communicate the strategic intent and rationale of a program or organization, ensure that service delivery is carried out in an efficient and responsive manner, provide for ongoing assessments of performance, and to show the impacts that can be attributed to their efforts.

Consistent with these trends, and in accordance with a Treasury Board decision (May, 2000) as well as observations made by the Office of the Auditor General in her December 2001 report, Western Economic Diversification Canada (“WD”) has committed itself to both an audit and evaluation of the Community Futures Program (“Program”).

A. Background to the Review

Established in 1986 by what is now Human Resources Development Canada, the Program is currently managed in the Western Canada region by WD and supported at an operational level through ninety Community Futures Development Corporations (“CFDCs”). These CFDCs are non-profit corporations that receive core-funding assistance from WD, and that help communities to develop and diversify through access to:

- ❑ **Strategic community planning** – working with communities to assess local problems, plan and implement strategies to develop human, institutional, and physical infrastructures, and access support for entrepreneurial initiatives.
- ❑ **Business services** – a range of business counseling and information services for small and medium sized enterprises as well as entrepreneurs.
- ❑ **Financial capital** – capital to assist existing businesses or to help entrepreneurs create new businesses.

In keeping with the directive from Treasury Board and the findings of the Auditor General, as well as impending decisions over future funding, WD required an evaluation that would

provide senior management with information on the alignment and clarity of strategic directions and priorities, management and delivery, and results of the Program.

B. Summary of Approach

To meet the general objectives of this evaluation, a framework specifying the criteria, or “critical success factors”, and questions against which the performance of the Program could be assessed was prepared (refer to Appendix D). There were three broad areas of focus for the evaluation, namely:

- ❑ **Strategic alignment and clarity** — the degree of alignment and clarity of Program priorities and strategic directions with those of WD and the Federal government as well as CFDCs.
- ❑ **Management and delivery** — the allocation of resources and appropriateness of a community-based service delivery model coupled with the state of monitoring and reporting practices.
- ❑ **Results** — degree to which client and community needs and expectations with respect to the level and quality of service are being met, and impacts on local communities and businesses.

The critical success factors were defined as those elements that in keeping with these three areas of focus contribute towards the successful design, implementation and effectiveness of the Program. Specifically, the critical success factors that were applied in this evaluation are as follows:

- ❑ The strategic directions for the Program are consistent with higher-level priorities of WD and the Federal government as well as with CFDC goals and objectives.
- ❑ There are defined, clear and adequately communicated goals, objectives and service (investment) priorities for the Program and, in turn, CFDCs that are reflective of desired economic and social outcomes.
- ❑ The allocation of funding towards, and the use of, a community-based non-profit delivery model are appropriate and logically support the achievement of the Program’s strategic intent.
- ❑ Information and reporting systems provide management, staff, partners and other relevant parties with needed facts and data to meet their responsibilities and to effectively gauge Program performance.
- ❑ The product and service “outputs” supported by the Program, and as provided by the CFDCs, are consistent with client expectations, accessible, and sufficient to support intended outcomes.

- ❑ Positive impacts at a community and business level can be demonstrated in keeping with established Program goals, objectives, targets and expectations.

To properly gauge the extent to which these critical success factors were being met, information was collected from multiple sources and using a variety of techniques. This is summarized in the table below, with further information on the twenty CFDCs that were visited being provided in Appendix B, and a listing of corporate and regional interview respondents in Appendix C.

Table 1: Data collection and analysis strategy

	Data Sources	Data Collection Techniques	Data Analysis
1.	Senior corporate and regional WD, CFDC and partner respondents.	<ul style="list-style-type: none"> ❑ In-person and telephone interviews ❑ Facilitated workshops 	<ul style="list-style-type: none"> ❑ Content analysis
2.	Selected CFDCs in twenty communities across Western Canada. Respondents were drawn from: <ul style="list-style-type: none"> ❑ Local Boards. ❑ Executive Directors or senior management representatives. ❑ Senior staff. ❑ Local partners. ❑ Clients, both past and current. 	<ul style="list-style-type: none"> ❑ Over 100 in-person interviews conducted in communities by team members coupled with telephone interviews where required by logistics ❑ Focus groups with almost 150 service clients 	<ul style="list-style-type: none"> ❑ Content analysis (i.e., service and program descriptions, presence and strength of critical success factors, challenges, and state of practices)
3.	Project files for each selected CFDC, both for business services and community economic development initiatives.	<ul style="list-style-type: none"> ❑ Collection of contracts, correspondence and related documents for review on-site 	<ul style="list-style-type: none"> ❑ Content analysis, including review of scope of project and reported results
4.	Documents on the program and CFDCs, including annual operations plans and quarterly reports.	<ul style="list-style-type: none"> ❑ Collected throughout the research process for review 	<ul style="list-style-type: none"> ❑ Content analysis ❑ Statistical analysis of reported figures

The results of these various assessments were incorporated into this report, along with recommendations for future action.

Evaluation Findings

This chapter summarizes the key findings from the telephone and in-person interviews with WD representatives, CFDC Board members, management, staff and partners as well as focus groups conducted with select clients and the project file and document reviews. These findings have been organized into the following categories:

- A. Strategic directions and priorities.
- B. Resources and program funding.
- C. State of CFDC governance and management.
- D. Monitoring and reporting on performance.
- E. Service quality and impacts.

To better allow the reader to determine the importance of these findings, the relevant critical success factors are highlighted in gray boxes at the beginning of the section. These factors can be seen as the criteria or standards against which the state of practice can be assessed, and were drawn from generally accepted precepts for effective organizations and programs.¹

A. Strategic Directions and Priorities

The strategic directions for the program are consistent with higher-level priorities of WD and the Federal government as well as with CFDC goals and objectives.

There are defined, clear and adequately communicated goals, objectives and service (investment) priorities for the program and, in turn, CFDCs that are reflective of desired economic and social outcomes.

A fundamental aspect of effectiveness is the extent to which there is a clearly articulated purpose, goals and objectives for a program. This strategic direction should also be documented, aligned with that of the organization and government in general, communicated and continually adjusted to reflect changes in the operating environment, management priorities, and findings from ongoing monitoring of performance.

¹ These precepts include the CCAF-FCVI, formerly the Canadian Comprehensive Auditing Foundation, twelve attributes of effectiveness framework.

In keeping with these two critical success factors, the state, alignment and clarity of strategic directions for the Program was examined. This assessment occurred at two levels, namely with respect to WD's strategic intent and Federal government priorities, as well as at the CFDC level. The former involved the facilitation of a workshop with WD representatives, while the latter drew upon the interviews and document reviews that were carried out as part of the CFDC site visits.

1. Are the goals and objectives for the program consistent with departmental and government-wide priorities?

Federal government priorities include:

- *Support for the “new economy”.*
- *Modernization of conventional industry.*
- *Increasing participation of “disadvantaged groups” and First Nations in the economy.*
- *Development of the workforce.*

The strategic directions for WD encompass:

- *Innovation.*
- *Entrepreneurship.*
- *Sustainable communities.*

At a Federal government level, a number of priorities were identified by workshop participants including ongoing support for trade and ensuring international competitiveness, continued support for the “new economy” which is marked by knowledge-based businesses, and the modernization of conventional industry. Furthermore, it was reported that the Federal government would continue to invest in opportunities to enhance the participation of “disadvantaged” groups and First Nations in the economy, to renew rural and urban infrastructure, and towards development of the workforce.

As reflected in the strategy map exhibit on the following page, the strategic directions and priorities for WD can be represented as three “pillars”. The first such pillar involves the promotion of innovation through, in part, technology development and adoption. The second pillar encompasses support for entrepreneurship and promoting the viability of small businesses as well as overall industry competitiveness and market access. The third pillar addresses “sustainable and healthy communities”, including support for the transition of highly resource-based communities to ones with more diversified economies, and increased participation of First Nations.

Drawing on the interviews and document reviews, there is a general consensus that the strategic intent of the Program is to:

- ❑ Provide support in building the capacity and capabilities of, and ensuring access to capital for, business owners (operators) and entrepreneurs; and
- ❑ Enhance regional and community economic development, infrastructure and overall well-being.

The latter, community economic development, has grown in importance for a number of CFDCs and has been described as encompassing “capacity building”, accessing funds to support regional and local priorities, promoting diversified and new economic opportunities, and advocacy of community interests.

Exhibit 1: WD strategy map



It is anticipated that efforts in these areas would contribute towards the development of new partnerships and collaborative ventures, increased involvement and diversity, and over the longer-term, self-reliant and stable communities.

At the same time, most respondents noted that business owner (operator) and entrepreneur education and assisting with the development of business concepts remain ongoing priorities. Drawing on the existing logic model for the Program, these areas of activity are expected to result in the creation of new, and expansion of existing, businesses, improved business management practices, greater availability of skilled individuals and entrepreneurs, and ultimately increased economic growth and diversified local economies.

As such, there does exist an alignment between the strategic directions and intended outcomes for the Program, the three pillars of WD, and ultimately a number of the priorities for the Federal government.

2. Are goals, objectives and priorities for the CFDCs consistent with those of the program, clear and commonly shared, and reflected in established agreements?

The primary document that establishes the goals, objectives and priorities for the CFDCs, and in relation to core funding provided by WD, is the contribution agreement. These agreements broadly state that the purpose of the Program is to support community economic development, creation and maintenance of small to medium-sized businesses, and generation of new employment in rural Western Canada. Separate clauses in these agreements describe supporting priorities as including, but not being limited to:

- Diversifying the economy.
- Supporting the creation and expansion of small and medium-sized enterprises.
- Maintaining and creating new employment.
- Maintaining capacity to deliver business services to rural communities.

These agreements also contain a significant number of one-year targets for measures relating to “core services”, including administration, business services, community economic development, and marketing.

Based on the respondent interviews and document reviews, the directions outlined in these contribution agreements are generally consistent with those of the CFDCs, and are commonly understood at the Board, management and senior staff level as well as among local partners. Specific responses in relation to the strategic intent of the CFDCs and the Program included:

Board and Management Respondents

- Community economic development and supporting new business starts or expansion in employment.
- Connecting with new emerging businesses and individuals who need assistance, in either a financial or educational sense.
- Promotion of entrepreneurship through financial assistance and training.
- Increasing employment opportunities by building stronger communities.
- Creating a skilled workforce.
- Development of the business acumen of clients.
- Supporting the region by providing access to capital as well as community economic development and education.

- Community development and building of business capacity.

Local Partner Respondents

- Regionally based community economic development.
- Community capacity building and building local partnerships.
- Business development and education.
- Business innovation and assisting new businesses.
- Assisting individuals who require business skills.
- The creation of more local employment opportunities.

Senior Staff Respondents

- Economic diversification and revitalization of communities.
- Sustaining rural communities and the quality of life.
- Building up the loan portfolio, supporting self-employment, and community economic development.
- Providing for access to funds, training and assistance to small and medium-sized businesses.
- Assisting in the development of an individual's or organization's core skills and capabilities.
- Small business development and counseling.
- An entrepreneurial support organization.
- Investment capital and services to small businesses.

Corporate and Regional Interview Respondents

- Support entrepreneurs and sustainable development in small communities.
- Small business development and counseling services.
- Strengthen community partnerships.
- Facilitate collaborative visioning and planning.

The manner in which these directions are translated into specific priorities, programming and service delivery at a regional and community level, however, varies among CFDCs. For example, for a CFDC in BC, explicit emphasis is placed on, “encouraging entrepreneurial, business and economic development” as well as, “serve those entrepreneurial individuals considering self-employment.” In contrast, another CFDC focuses more on community

“What we do well is we work with communities” – Senior Staff Respondent

“The CFDC picks up the holes” that are not being addressed by government in terms of community services and programming. – Local Partner Respondent

“The CFDC is a community catalyst” – Local Partner Respondent

“Improve the quality of life in our region by enhancing business and entrepreneurial activity ... to serve the social and economic needs of our region”. – Board Respondent

“Fill a gap in the community for those individuals requiring loans.” – Senior Staff Respondent

The operations plan provides the justification for WD funding allocations and decisions, but “does not give the whole picture of CFDC priorities and activities” – Executive Respondent

Operations plans and contribution agreements outline general directions, but there is a need for flexibility and responsiveness to community needs and project opportunities – Board Respondent

economic development and well-being, with a primary goal being to, “continue to facilitate the increased capacity of all communities within our region to achieve their own social and economic well-being.” The priority as expressed by a third CFDC is on community *economic* development and not social development or capacity building. Although all of these stated priorities are in alignment with established agreements, the emphasis that is placed on certain aspects of community economic development, creation and maintenance of businesses, and generation of employment and entrepreneurial opportunities differs by CFDC.

Another area of distinction between the strategic intent of the Program and priorities at a CFDC level is in the management of loan funds and pursuit of financial sustainability. Due in part to financial pressures, a number of CFDCs have reported that they are no longer strategically committed to serving as the “lender of last resort” to entrepreneurs and new business ventures. Rather, there is a growing emphasis being placed on managing loan portfolios in a balanced manner that still provides for access to capital for these client groups, responsiveness, and lowers the risk of unrecoverable debt while increasing the return on these funds. These same financial pressures have increased the need to establish alliances and synergistic partnerships as well as seek alternative sources of funding. This is addressed in greater detail in the next section.

B. Resources and Program Funding

The allocation of funding towards, and the use of, a community based non-profit delivery model is appropriate and logically supports the achievement of the program’s strategic intent.

Although the delivery of services should be carried out in an efficient and responsive manner, there must also be an appropriate allocation of resources to ensure ongoing viability and sustained results.

In examining the allocation of funding and resources to the CFDC network, and the appropriateness in relation to service expectations and delivery, recognition must be given to the growing importance and role of local and regional partners in the Program. In carrying out this evaluation, it was found that although varied in purpose and formality, all CFDCs had established partnerships with agencies and individuals such as:

- Entrepreneurs and individuals,
- Credit unions and other financial institutions,
- Community groups,
- Professional services organizations,
- Private consultants,
- Educational institutions,
- Associations (e.g., Chamber of Commerce,

- Other federal government departments, provincial agencies, regional districts and municipalities,
- First Nations,
- Non-government organizations,
- Businesses,
- industry trade associations, etc.),
- Special interest groups,
- Local community economic development agencies, and
- Other public institutions.

“If you don’t partner effectively, you won’t be here” – Local Partner Respondent

They do an excellent job of “leveraging partnerships” – Local Partner Respondent

The “CFDC can’t be everything to everybody” – Local Partner Respondent

It is evident that CFDCs have been very active in pursuing innovative partnerships and projects such as:

- The pursuit of a housing community with geo-thermal heating in Wawanesa and in cooperation with numerous community partners including Manitoba Hydro.
- Partnerships with local colleges for training initiatives and hosting such events as youth business and entrepreneurial forums.
- Joining with First Nations and other community non-government organizations to pursue community economic development initiatives such as investments in, and operations of, heritage sites.
- Establishing agreements with local credit unions to manage the financial needs of client operations as they mature, and in the syndication of loans with other development agencies to share risk.

Recognizing this level of activity in forming and maintaining partnerships with a variety of stakeholders, it was also noted that there might be a need for further collaboration among the CFDCs in terms of sharing resources and providing for collective access to programs, and strengthening of partnerships with Aboriginal groups and communities. It is also critical that these partners and other community organizations perceive the CFDCs and the services that they offer as being complementary to their own mandates and initiatives. This generally appears to be the case, with a recent study reporting that upwards of 80% of community representatives that were consulted reported that CFDCs positively affected their ability to achieve desired objectives.²

1. Is the allocation of program funding and the current network of CFDCs considered appropriate?

With changes in the level and nature of WD funding over the past six fiscal years, as highlighted in Exhibit 2 on the following page, the provision of core funding is commonly acknowledged as being critical to the ongoing viability of the vast majority of CFDCs. However, the degree to which this core funding is considered sufficient to cover the scope

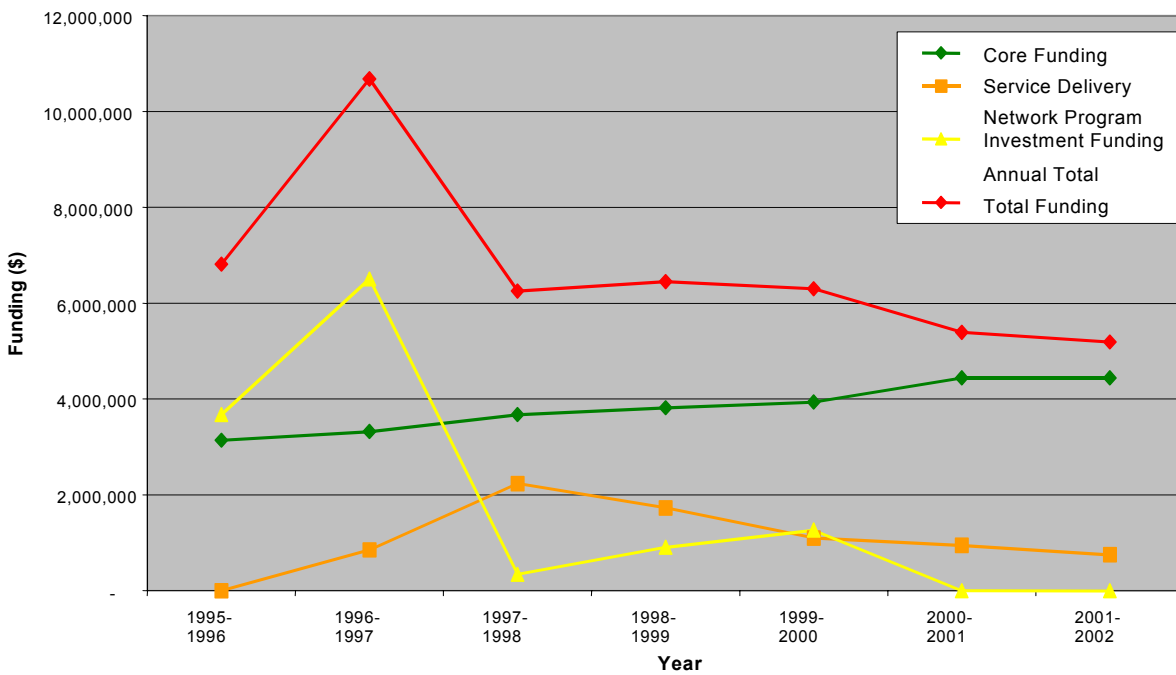
² Refer to, “Impact of the Community Futures Program in Western Canada”, Ference Weicker and Company, 2002.

and geographic areas of service as well as the requirements stipulated in contribution agreements was questioned by many respondents. Specific responses included:

Board and Management Respondents

- Core WD funding is insufficient to cover all costs associated with maintaining four full-time equivalent management and staff positions.
- Funding has decreased in total over the years, so to avoid shutting the CFDC down, have had to improvise.
- Reductions in total funding have significantly impacted the ability to meet needs.
- Trying to do more today with less money than ten years ago.

Exhibit 2: Trends in CFDC Funding from WD³



3

³ This exhibit represents funding levels for the 20 CFDCs that participated in this study.

*“Retention of skilled employees is an issue” –
Local Partner Respondent*

There is a high cost of travel for a large geographic region – Board Respondent

Funding is limited and it is hard to attract and maintain staff – Senior Staff Respondent

*Long term planning is “impossible” with current funding agreements –
Board Respondent*

*“It is a challenge and a lot of time spent on final quarter funded programs that are unproductive.” –
Board Respondent*

Difficult to commit to longer-term projects for “fear that funding will stop and that skilled staff may leave to more secure positions” – Executive Respondent

“Have to live off investment funds” – Board Respondent

Local Partner Respondents

- Funding is an ongoing, critical need.
- Limited by funding to do more work in smaller communities.
- Without WD funding, services would be severely reduced.
- The CFDC has been able to meet many commitments, although there are many further opportunities. The limited funds are a constraint.

Senior Staff Respondents

- Could use more dollars for operational purposes – core funding does not even cover salaries.
- Operational funding is a factor for the CFDC given a huge territory and high travel costs.
- WD is “why we are who we are, but a small part of what we do”.
- Funding is well intended, but inadequate.
- Could use more operating funds to provide more training services to clients and to staff.

Corporate and Regional Interview Respondents

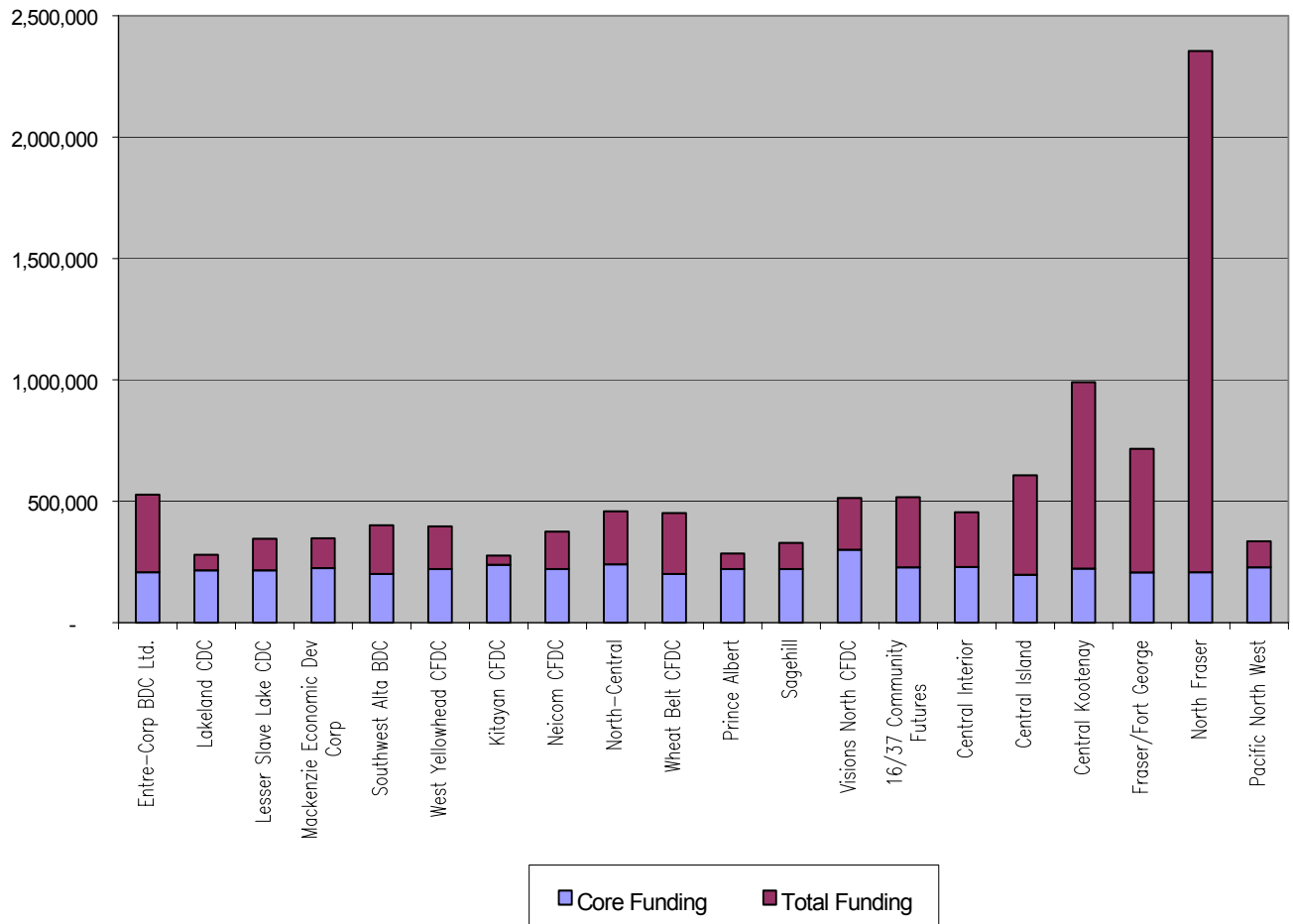
- The CFDCs are very dependent on available resources and as such there are human resource and financial capacity issues.
- The Program is the primary vehicle for servicing rural needs but “the problem is where to draw the line” as more service expectations are added and funds are constrained.
- The large geographic size and population base for some CFDCs make it difficult for them to meet community needs given available resources.

The noted challenges and limitations that are associated with the level of WD core funding are of particular concern for those CFDCs where the ratio to total funding approaches 100%. As highlighted in Exhibit 3 on the following page, the proportion of core funding to total funding varies dramatically across the twenty CFDCs that participated in this evaluation, with some offices being highly dependent on the financial contribution from WD. For these offices, it is reasonable to expect that they face greater difficulties in maintaining services and regional access in comparison to other CFDCs that have managed to diversify their funding sources.

Other concerns raised in relation to the appropriateness of WD core funding included:

- ❑ Travel costs for more remote areas with distant communities, as is the case for the Kityan CFDC among others, can be extremely high and limited funding constrains the ability to provide for equitable access to services.
- ❑ Limited funds that can be used to compensate staff, and the resulting implications in terms of providing competitive salaries, has made it harder to attract and retain key individuals. This is particularly a concern since a noted strength of the CFDC model has been described as, “locally staffed and locally driven”, and given the impact on service quality that staff can have.

Exhibit 3: Distribution of WD core funding by CFDC



- ❑ Lack of financial wherewithal to provide adequate professional development opportunities for staff, thereby limiting the ability to build needed competencies.
 - ❑ Due to the uncertainty of future WD funding, and the levels of current core funding, it is difficult to commit to longer-term projects. This is reportedly exacerbated by the end-of-fiscal surplus funding from WD, which is often available but requires that initiatives be substantially complete by March 31st.
 - ❑ Although community economic development is recognized to be a strategic priority for CFDCs and the Program, funding constraints limit the type and range of projects that can be engaged in since these initiatives tend to be more resource-intensive than others (e.g., level of staff time) with longer commitment periods.

Finally, respondents were questioned about the existing CFDC network and the extent to which it is considered appropriate in terms of the number of offices and existing presence. The general consensus was that the current network is critical for addressing the service needs of rural communities, and that if an attempt were made to reduce the number of CFDCs in Western Canada, the Program and WD would suffer from a lack of knowledge and capability to meet “local needs”. As stated by one respondent, “if community futures weren’t active in rural communities, nothing would get done.” Another respondent highlighted that the CFDC service delivery model is being considered by other jurisdictions, such as Australia, as a leading practice. Overall, it was reported by the majority of individuals questioned that the CFDC network as it is currently structured is an appropriate model for delivery of the Program and on the behalf of WD.

C. State of CFDC Governance and Management

The allocation of funding towards, and the use of, a community based non-profit delivery model is appropriate and logically supports the achievement of the program’s strategic intent.

An established governance structure must allow for effective direction and leadership. This should be supported, in turn, by a positive and constructive working relationship with managers that have the experience and competencies to provide for ongoing administration of the office. Recognizing the regional and community focus of the CFDCs, the associations need to provide for networking opportunities and the sharing of knowledge, as well as acting as provincial and pan-western representatives of common interests.

In a recent report on the state of governance, the Canadian Institute of Chartered Accountants stated that, “the role of the Board of Directors is now changing ... this new

role requires directors to be much more active participants in the ‘high level’ affairs of the organization ... especially to be ‘constructively involved’ in the development and approval of the organization’s strategy.”⁴ This observation is reaffirmed by the CCAF-FCVI, formerly the Canadian Comprehensive Auditing Foundation, which describes the responsibilities of the Board as encompassing:

- ❑ Articulation of objectives and expected performance.
- ❑ Identifying and requesting information on performance.
- ❑ Demonstrating leadership and commitment.
- ❑ Working closely with senior management.⁵

Finally, the growing emphasis that is being placed on Boards becoming active participants in the development of strategies and monitoring of progress may challenge relationships that have placed the majority of these responsibilities on senior management. It is critical that a clear understanding of roles and responsibilities exist to support an open and positive working relationship between the Board and senior managers.

1. Do CFDCs have an appropriate governance structure and management capacity?

The contribution agreements make explicit reference to the responsibility of the CFDC to provide for ongoing governance and management of the corporation. Some CFDCs have reflected this in their goal statements, with one example being, “Continue to develop an effective and flexible organization structure with an emphasis on continual Board, Committee and Staff development and ongoing communication with our communities.”

The way in which these commitments and stated strategic directions are met though, appears to vary from one CFDC to another. In some cases, governance appears to follow more of a Carver model whereby the senior manager is empowered to make all operational decisions within executive limitations as set up in the policies or guidelines. In other cases, director involvement was reported as being more “hands on”, and that senior managers have faced challenges in the past of educating Boards on appropriate roles and responsibilities to avoid cases of “micro-management”. Overall, it was apparent that most directors interviewed were actively engaged in providing direction on the allocation of funding and services for a CFDC, although differences were noted in terms of the level of monitoring of actual performance, engaging in outreach with local communities, and awareness of the state of key relationships, in particular with WD. On the latter, the vast majority of directors interviewed were not fully aware of the nature of the relationship

⁴ Refer to “20 Questions Directors Should Ask About Strategy”, CICA, 2003.

⁵ Refer to, “Governing, Managing and Accounting for Results”, CCAF-FCVI, 2002.

between regional WD representatives and the CFDC. Management respondents, in contrast, indicated that for the most part, these relationships were professional, but that there could be more feedback and “dialogue” from WD. Individual comments that were made on the governance model, nature of the Board and senior management relationship, and relationships with WD included:

- The Board sets policy and monitors reports, approves a complete annual budget, and provides for final approval on loan funds.
- The Board sees a monthly CEO report and a summarized loan report.
- The Board has more input today than may have been the case in the past.
- There has been a maturing in terms of the Board’s understanding of governance and the relationship with the senior manager.
- Would like to see directors become more engaged in “marketing” the CFDC.
- Strong, well defined relationship with the Board.
- Positive relationship with the general manager.
- Positive relationship with the manager – strong trust in management.
- Very positive relationship between the Board and the Chief Executive Officer.
- There is a good relationship with WD, although there could be more communication on the status of projects. Some WD staff go out of their way, others do not, in this regard.
- Very professional relationship with WD, but would like more feedback on performance.
- Would like more partnership opportunities with WD and some recognition of the CFDCs.
- More communications from WD would be helpful.

Board probably has 80% to 90% long-term directorships, so not much turnover – Board Respondent

Current gap in members from the northern region – Executive Respondent

Board is very “regional focused” – Board Respondent

Main groups in the community are asked to appoint a member – Executive Respondent

Board selects members – Board Respondent

Board members are nominated and elected for a two-year term – Executive Respondent

Such differences appear to also extend to the level of representation, recruitment and turnover at the Board level. In some cases, community groups and municipalities nominate candidates, with the Board then voting to accept the nomination. This has raised concerns, however, that the Board can become very political as directors advocate on behalf of their specific political jurisdictions. Other CFDCs rely more extensively on referrals from current directors, or have established nominating committees comprised of a small group of directors.

With respect to turnover, this ranges from a CFDC where the vast majority of directors have less than one years experience, to approximately one-third turnover at the Board level every two to three years, with an extreme being cases where the Board is comprised of

directors with long histories (e.g., extending over 10 years). Clearly, the optimal situation is the middle scenario in terms of turnover, and where nominations are handled through a committee that can address issues surrounding representation. The desired outcome would be directors that have diverse interests and backgrounds as well as the core competencies to fulfill their roles.

The final consideration in relation to this evaluative question was the professional capabilities of management. The majority of Board respondents reported that CFDC managers demonstrated strong capabilities and performance. One respondent summarized it as the CFDC manager being the, “heart and primary motivator.” Although these findings are very positive, and speak well to the management capacity of CFDCs, it does raise the risk that in the absence of succession planning, the loss of a competent senior manager could have a significant and detrimental effect on the operations of an office.

“Proud of the Community Futures network” – Board Respondent

Provincial association acts “as a common voice” – Executive Respondent

“Provincial associations have a good focus and are well worth to have” – Board respondent

“No interaction” with the Pan West association and question its value – Board Respondent

The Pan West is “not a visible organization” – Executive Respondent

Not much contact with the Pan West association – Board Respondent

Not too familiar with the Pan West association – Board Respondent

“Sometimes there appears to be too many levels of organizations” – Board Respondent

2. What is the role and perceived value of the provincial and Pan West associations?

Respondents generally described provincial associations (i.e., British Columbia, Alberta, Manitoba and Saskatchewan) as providing needed support and value through such initiatives as the Pooled Asset Lending Program, whereby funds from various CFDCs are shared. Specific comments from interview respondents included:

- The provincial association provides training and resources that are valuable.
- Enjoy the ability to interact with other CFDC managers, staff and directors at provincial association meetings.
- The provincial association is helpful and critical in conveying messages to WD as well as providing resources and information.
- The provincial association acts as one voice to WD.
- Provincial associations have been critical to the development of the Board of Directors and their understanding of roles as well as opportunities.

The major exceptions are in Saskatchewan, where one CFDC reported that it has recently withdrawn its support for a provincial association, with other offices debating similar action, primarily in protest of what they perceive to be poor management and direction. A more general observation across CFDC respondents was that although valued, the level of reporting and communications with the provincial associations could be improved. This is also the case with the Pan West association, with many respondents indicating uncertainty over its mandate or role. One individual described this association as being “nebulous” in its function. In addition to this possibly reflecting the need for further communication,

another factor may be that the Pan West association is less mature in its development than the provincial equivalents (i.e., this association was formed after its provincial counterparts).

D. Monitoring and Reporting on Performance

Information and reporting systems provide management, staff, partners and other relevant parties with needed facts and data to meet their responsibilities and to effectively gauge program performance.

Information and reporting systems should provide executive, Directors, management and staff, and to some extent other stakeholders, with needed information to carry out their responsibilities and to effectively gauge performance. The process involves monitoring and reporting on specific performance measures that are relevant, balanced and practical.

Two critical questions that can aid in determining the effectiveness of a monitoring and reporting process are:

- Do we know what dimensions of performance are most important?
- Do we receive information that reflects these dimensions?

In essence, it is necessary to focus on the most critical, or core, aspects of performance that best define success for the Program and WD. This requires that there be a limited number of measures specific to the intended audiences and judgments likely to be rendered, clear definitions, and evident linkages between the measures and desired outcomes.

1. Is there an appropriate balance, definition and quality of performance measures?

Based on a sample of reviewed contribution agreements for the CFDCs, it was noted that in some cases there are over forty performance measures that are diverse in nature, and that tend to be more activity and output related, including:⁶

- Number of Board members and meetings (output);
- Total number of clients receiving business services (output);
- Number of business plans completed (output);
- Number of jobs created and maintained (outcome);

⁶ *An output measure is a metric of the amount of product or service produced by an organization or program (i.e., what and how much came out of a program). An outcome measure, in contrast, is a metric of the intended physical, societal or client consequences or changes in conditions, behaviours or attitudes that indicate progress in achieving a program's strategic intent. Outcomes may be immediate, ultimate, or intermediate.*

Need to “define what is measurable” in community economic development projects – Senior Staff Respondent

There are measurable results in some programs, such as Self Employment, but it is hard to measure results in other program areas – “how do you measure the impact of community economic development, the evaluation is very subjective?” – Senior Staff Respondent

“Sheer numbers do not reflect activity” – Senior Staff Respondent

Performance measures are “too generic” – Senior Staff Respondent

- Number of new business starts (outcome);
- Percentage of bad-debt write-offs (outcome);
- Number of clients trained (output);
- Number of web-site inquiries and visits (output); and
- Number of presentations and participants (output).

This indicates the need for further refinement of measures of performance, with a focus on ensuring that a smaller set of metrics is applied and that they are both relevant and targeted towards the key decisions to be made. As stated by one respondent, the current mix of measures is such that the, “real picture is not shown”. This is particularly the case with respect to community economic development, and for which a shortage of appropriate measures was noted as being the case. To frame it differently, far fewer measures have been defined in support of community economic development, and those that do exist appear to focus primarily on the number of related projects and events, as well as responses to inquiries and community meetings.

Frustration was also expressed by a majority of management and senior staff respondents over the monitoring and reporting process being too time and resource intensive. Reported inconsistencies in statistics, and between templates that are used and reporting formats, has resulted in what is seen to be a “very bureaucratic process”. Some respondents indicated that there is no correlation between annual operating plans, particularly targets, and quarterly reports, creating a frustration over “gathering numbers” that have less meaning for management decisions. Furthermore, inconsistencies were identified between quarterly reports in terms of the consistency in tracking and reporting on certain measures, including the creation and maintenance of jobs. More specific comments made by respondents included:

- Currently investing too much time and resources towards reporting.
- Has turned into a stats activity instead of doing the work.
- Have to report and it is very onerous.
- Template does not adapt well to customizing descriptions of performance and results.
- TEA system has been a big improvement, but still a frustration in collecting the data.
- There are problems with the numbers that the TEA system generates in terms of accuracy.
- The type of client is not recorded in reports.

There is “no correlation” between what is projected in the annual operations plans and what is reported on a quarterly basis – Senior Staff Respondent

“Currently see limited value” in reporting templates and requirements, with this being evidence of “WD micro-managing at its worst” – Executive Respondent

“Seems like gathering numbers” – Senior Staff Respondent

Reporting requirements are “heavy” – Senior Staff Respondent

“Recognize the need for accountability, but the current approach is way in excess of what is needed” – Executive Respondent

“Too many systems in use and not integrated, overkill on reporting” – Executive Respondent

- More time spent tracking and less time is available for clients.
- Annual statement requirements are different than the quarterly reports.
- Some problems with the TEA system. The report format is slightly different from WD’s template and certain statistics are not picked up such as loan delinquencies. Marketing and community economic development activities are hard to track.
- Difficult to capture the impact of some initiatives.
- There should be an ongoing project section in the report.
- Quarterly reporting gives a fair picture of the activities of the business analysts, but are cumbersome.
- Have never been formally shown how to do the reporting.

An independent review of CFDC performance reporting processes that was carried out in 2002 reaffirmed these observations by stating that, “there were gaps in reporting and ... many different forms and formats – the information is found in different places and captured in various ways.”⁷ On gaps, examples that were reported in this study included data on jobs created and maintained in relation to the number and value of loans issued. In like fashion, a noted example of the inconsistency in reporting was the variation in descriptions of community economic development projects. The author then noted that there is a need to address dissimilarities in report formats (i.e., over 20 different report form versions were observed), report guidelines and definitions, verification of reported information, and to improve communications between WD and the CFDCs.

2. How is information on performance being applied?

In response to this evaluative question, there was a general lack of certainty among Board, management and senior staff respondents as to how reported information is being used by WD for decision-making. The lack of performance feedback from WD was seen as being one factor that has contributed to diminishing levels of thoroughness in reporting, particularly on more qualitative measures such as descriptions of community economic development initiatives. Essentially, the quarterly reports were viewed as being a tool for ensuring accountability to WD, rather than as an effective means for monitoring and commenting on actual performance in relation to established targets. Individual comments from the respondents included:

- Have not really seen how WD uses this information.

⁷ Refer to “Final Report of Western Economic Development’s Community Futures Development Corporations Performance Reporting Process”, Marshall Management Inc., 2002. Pp. 5.

“Never had feedback on quarterly reports – does anybody read them?” – Senior Staff Respondent

“Why report, who is looking at this information, and how is it being used?” – Senior Staff Respondent

“WD is using the information for ‘auditing purposes’, but not really sure.” – Executive Respondent

“Assume WD uses statistics to justify the program, but don’t really know” – Executive Respondent

“It’s the black hole” – Executive Respondent

- Limited or no feedback is received from WD on the submittals.
- Quarterly reports are completed for compliance purposes only. It is uncertain what WD does with them, if anything.
- WD uses reported data to convert pilots into fully funded initiatives and to profile the Community Futures program at a federal level. However, can also end up with WD staff getting too focused on reporting details that they “lose sight of the big picture”.
- Not sure what some information is used for.
- Received a call recently about 2001 statistics, so doubt that WD uses this information in a timely fashion.
- WD rarely provides feedback.
- Assume WD uses it for their purposes and to lobby government.
- Don’t feel that WD is properly using this information.

Based on interviews with WD regional representatives though, there appear to be some positive changes in this regard. In British Columbia, for example, more of a variance analysis is now being performed using an Excel program, with comparisons taking place between reported data on specific measures to the targets established in operation plans. An alternative practice, but one that addresses similar issues, is the development of a goals and accomplishment template in Manitoba that is filed by CFDCs along with their operation plans and that provide for an assessment of accomplishments over the prior fiscal year as well as an understanding of performance expectations for the subsequent year. It is also recognized that WD is operating under an environment of fiscal restraint that has resulted in limited resources to interact on an ongoing basis with CFDCs.

E. Service Quality and Impacts

The product and service “outputs” supported by the program, and as provided by the CFDCs, are consistent with client expectations, accessible, and sufficient to support intended outcomes.

Positive impacts at a community and business level can be demonstrated in keeping with established program goals, objectives, targets and expectations.

In keeping with the need to demonstrate effectiveness, the expectations and needs of clients and community members should be met through the provision of services. In addition, positive impacts should be demonstrated as a result of the program and the CFDC activities and “outputs”.

In determining the level of acceptance with respect to services, and their effectiveness, it is important to recognize that the client base for CFDCs and the Program is relatively diverse and comprised of:

- Small and mid sized enterprises,
- Rural community governments,
- Community groups, agencies and representatives, and
- First Nations.

This section describes from the perspective of such client groups the general expectations for service and the degree to which these have been met, as well as the perceived impacts of the Program.

1. What services were provided and did they meet expressed client and community partner needs and expectations?

As demonstrated by Table 2 on the following page, there has been a dramatic increase in the total number of client contacts over the past seven fiscal years, which can be interpreted as an indicator of the need for, and uptake associated with, the services provided by the CFDCs. At the same time, other trends such as the decrease in the number of loans and community economic development projects might reflect changes in practices or the constraints of limited funding (i.e., coupled with annual and end-of-fiscal budget allocations).

In general, clients that participated in these focus group sessions were very satisfied with the level and quality of services provided. The services that were received by focus group participants included, but was not limited to:

- Instruction on business planning.
- Access to loan funds in the absence of financing from commercial banks and other financial institutions.
- Financial counseling.
- Mentorship.
- Facilitation and coordination.
- Secretariat functions.
- Provide human and financial resources for projects.

In response to questions on the degree to which client's expectations were met, and in relation to these services, the comments included:

- Found the counseling to be positive and very helpful.
- The CFDC personnel could really see the business potential in cases where commercial institutions would not provide assistance.
- Strengths include accessibility, the consistency in dealing with staff at the office, and networking opportunities.
- Found knowledgeable, experienced staff, and flexibility to respond to different needs.
- Ongoing support and mentor services have been invaluable.
- Availability and approachability of staff, they care about the individual.

Table 2: Statistics on the number of client contacts, loans and projects for all Western Canada CFDCs

	1995-1996 ¹	1996-1997 ¹	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	Total	Annual % Increase
Total Number of Client Contacts	130,156	250,972	421,276	444,517	543,755	585,849	664,755	3,041,280	68%
Total Number of Technical Services²	86,102	69,471	108,017	33,679	163,643	123,486	127,266	711,664	8%
Total Number of Loans	1,681	2,050	2,497	2,534	1,930	1,818	1,658	14,168	-0.2%
Total Value of Loans (\$ 000s)	\$37,422	\$42,036	\$57,623	\$64,732	\$52,461	\$56,474	\$51,094	\$361,842	6%
Total Number of CED Projects	N/A	N/A	N/A	N/A	1,608	1,474	1,435	4,517	-5%
<i>Short Term CED Projects</i>	N/A	N/A	N/A	N/A	685	781	778	2,244	7%
<i>Long term CED Projects</i>	N/A	N/A	N/A	N/A	923	693	657	2,273	-14%
Total Number of Youth Loans	N/A	277	327	375	238	223	130	1,570	-11%

¹ The Other Partnerships Investment Fund did not exist prior to the 1997-1998 fiscal year. This fund sources funding from non-WD investment funds (e.g. Forest Renewal BC).

² Business Advisory Services

CFDC staff went “above and beyond” in their professionalism and support – Client Respondent

“Opened my eyes” in terms of the key steps to starting and running a business – Client Respondent

“They will take a chance on a small business, banks will laugh at you” – Client Respondent

“Didn’t know what to expect, but it was a pleasant experience” – Client Respondent

“Has been phenomenal over the years” – Client Respondent

“Had limited expectations about how much the CFDC could help ... and was very pleased with the response” – Client Respondent

- They have a varied and good background in finance and business.
- Well rounded staff, can tap into knowledge and skills.
- Accessible and welcoming.
- Very pleased overall with the services and assistance that was provided.
- They were knowledgeable of the local market.
- The staff is approachable and they care.
- Found the counseling to be positive and staff was very helpful.
- Positive level of support.

Even those individuals that ended up not implementing their business concept reported that this in itself was an indication of the beneficial nature of the CFDC services (i.e., they avoided a potential costly failure through the advice and consultation received). One respondent summarized this point as, “sorted out entrepreneurial individuals with the right skill set from those that would likely not succeed.”

An area that clients sometimes reported as an issue was the level of security required and interest charged on loans, which was perceived by some individuals as being relatively high. To provide a “yardstick” for this expressed concern, a CFDC reported that loans upwards of \$125,000 are provided at rates ranging from between prime plus 3.5% to prime plus 8%. The rate was then noted as dropping substantially for loans provided to qualified youth and disabled clients, as well as individuals from commercial or sport fishing sectors, to prime plus 2%. Although the upper level of this range does appear to be high, there is a fiduciary responsibility for the CFDCs to prudently advance funds with adequate levels of security and levels of interest that reflect the risks taken on the loans.

Most clients that accessed loans through CFDCs reported that this has been extremely valued, especially with communities going through economic transition, and businesses and entrepreneurs in the start up or expansion phase. Coupled with the reported trend among commercial lenders and the Business Development Bank of Canada that involves a shift towards larger loan portfolios that have lower risk profiles, this was seen as reinforcing the importance of CFDCs providing access to financial capital for small businesses and entrepreneurs (i.e., there is a “financing gap” that the Program is addressing). The annual operating plan for a CFDC identified an innovative response to ensuring these needs continue to be met, namely the approval of “micro-loans” of up to \$5,000 with no security, disbursement of loans for up to \$10,000 with minimal security, and provision of access to developmental funds of up to \$250,000 over a five-year term with other financial institutions serving as partners in this regard.

Another issue often raised was a general lack of awareness of, and positive outreach on, the Program as well as the existence and breadth of CFDC services. Comments ranged from “there is a need to increase public awareness” to the Program being the, “best kept secret”. Although many management respondents acknowledged this as being a significant challenge and in need of action, it was also noted that the attendant risk of being successful in outreach activities is the creation of demand for services that might exceed what is possible using available resources. As a result, it was reported that CFDCs must be strategic in their use of funding for marketing, rather than simply investing larger amounts in advertising and media placements.

Other respondent recommendations for potential service improvements included:

- Provision of a regular “mixer” and more frequent networking events would be beneficial.
- There should be more follow-up with supported businesses.
- Further assistance should be provided with bookkeeping, possibly by providing tools and templates.
- Broaden the use of loan funds to address such expenditures as overhead and staffing.
- Survey the interests in a community and then host guest speaker seminars.
- Follow-up assistance, with this currently being more reliant on the initiative of the client.
- Increase the amount of available funding.
- It is a difficult process for obtaining small amounts of funding.
- Provide managerial training.
- Host more seminars and information luncheons.

On the whole, the majority of respondents suggested that the CFDCs have been very successful in delivering needed and valued services that met expectations for quality. This is consistent with the findings from a study conducted in 2002 that found average ratings of 4.1 and 3.7 among those community representatives and clients surveyed (on a five-point scale, where “5” is very successful) and in response to a question on how successful the CFDCs have been in achieving their objectives.⁸

⁸ Refer to, “Impact of the Community Futures Program in Western Canada”, Ference Weicker and Company, 2002.

2. What have the selected CFDCs and, in turn, the program achieved in terms of meeting strategic directions and impacts on local communities and businesses?

When questioned on the benefits of CFDC services and the Program, the majority of respondents indicated that positive outcomes in terms of the creation and maintenance of jobs as well as the importation and maintenance of wealth in the regions could be demonstrated. One individual summarized it as being able to, “point to a number of businesses that would not exist in the absence of CFDC support”, a sentiment that was shared by many other respondents:

- The CFDC helped to sustain the business.
- Supported businesses that are now generating employment.
- Business is doing well and demand for services is high.
- More people shop locally as a result of business retention.
- One company has been in business for eight years, has thirty employees, and \$1 million in payroll.
- This organization is good for the community, with several businesses in the downtown area being a direct result of the CFDC.
- Businesses would not be here if not for the services.
- Businesses, jobs and the spin-offs from successful small businesses.
- Numerous jobs have been created.
- Have seen ten to twelve businesses in the downtown area that are there as a result of the CFDC.
- Over one-third of the businesses in the region have been impacted or influenced by the activities of the CFDC.
- Stimulated the development of businesses and entrepreneurial spirit.
- Would not have gotten into business in the absence of CFDC support. These results would not have been realized if the services were not provided by the CFDC.
- Would not be operating without the CFDC loan.
- Could not have started a business without the CFDC.

With respect to the last few comments, even in cases where clients indicated that a business would have started in the absence of CFDC support, it was commonly stated that the CFDC provided a means for improving the success of the ventures and advancing its development. This is a critical consideration in that any evaluation must examine the extent to which results are attributable to an organization or initiative. As it relates to the Program, and in addition to the above commentary received from the focus group participants, another study found that surveyed clients reported that almost 60% of their business revenues were derived as a result of the services provided by the CFDCs. Furthermore, over 40% of these individuals indicated that their business would not have developed in the

absence of these services. The authors of this study estimated that overall, the business services provided by the CFDCs:

- ❑ Were used by 30,000 to 35,000 small businesses;
- ❑ Generated between roughly 26,000 and 32,000 person years of employment; and
- ❑ Resulted in \$1.1 to \$1.4 billion in revenues over the six-year period 1995 to 2001.⁹

Respondents did raise though, the potential risk of CFDCs raising their standards on loans, and following the same evolutionary path as the Business Development Bank of Canada and commercial financial institutions. To the extent that this was to occur, it could result in the exclusion of some entrepreneurs and individuals with business proposals in terms of their ability to access needed financial capital. Such negative impacts would be intensified in smaller communities where commercial banks might not exist, or other alternatives to access loan funds were minimal to non-existent.

Additional statistics based on the quarterly reports, and that serve to demonstrate across the CFDC network the combined impacts that have been realized in terms of employment and leveraged funding, are summarized in Table 3 below.

Table 3: Trends in leveraged funding and generated employment for all Western Canada CFDCs

	1995-1996 ¹	1996-1997 ¹	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	Total	Annual % Increase
Total Leveraged Funds (\$ 000s)²	\$66,810	\$79,452	\$75,176	\$76,860	\$70,460	\$72,951	\$58,536	\$500,245	-2%
Number of Jobs Created and Maintained from Lending Activity	7,517	6,052	7,800	7,411	6,425	6,411	5,944	47,020	-3%
Number of Jobs Created and Maintained through Business Services³	N/A	5,155	2,374	480	4,356	6,214	5,737	24,316	2.3%
Total Number of Jobs Created and Maintained	7,517	11,207	10,174	11,767	10,781	12,625	11,681	71,336	9.2%
¹ The Other Partnerships Investment Fund did not exist prior to the 1997-1998 fiscal year. This fund sources funding from non-WD investment funds (e.g. Forest Renewal BC).									
² Leveraged Funds are based on lending activity.									
³ Business Service job statistics were not collected prior to the 1996-1997 fiscal year. These figures are provided by CFDCs, and are generally not obtained through a specific follow-up with each client.									

⁹ Refer to, "Impact of the Community Futures Program in Western Canada", Ference Weicker and Company, 2002.

To further substantiate these statements and estimates of the impacts of the Program, a range of project files were reviewed on-site at each of the selected CFDCs. A summary of these case studies is provided in Appendix A. In brief, these descriptions demonstrate positive benefits at a business level in terms of new starts, skill acquisition, and expansions in operations, including:

- ❑ A manufacturing plant supported through CFDC loans and assistance that employs five people.
- ❑ A client that purchased manufactured homes and secured the exclusive dealership rights with financial assistance from a CFDC has generated almost two million in annual sales and employs two full-time and two part-time people.
- ❑ A business that was supported through the Youth and General Investment funds of a CFDC is being managed by young entrepreneurs and has generated over \$465,000 in annual sales as well as employing two full-time and six part-time positions.
- ❑ A participant in the Self-Employment Program received coaching and a loan that resulted in the continued operation of a company, which would have not been the case in the absence of this support. This company generated sales of \$80,000 in 2002 with expectations for significant growth, and currently employs two people.
- ❑ A loan from a CFDC for the expansion of an existing software business and to implement a marketing plan has supported an increase in annual sales from \$647,000 to \$3.4 million, and growth in employment from 13 staff to 32 staff over the same period.
- ❑ A client required financing in the amount of \$150,000 for the purchase of equipment and as part of an expansion to enhance mill production capacity. Annual sales have grown to over \$7 million, employment has reached almost 40 full-time staff, and production levels have increased by 50%.
- ❑ A partnership initiative between a CFDC and the Business Development Bank of Canada, with in-kind contribution from a First Nation, provides participants with access to credit (\$5,000 maximum per individual) and training. Participation has reportedly increased with repayment rates reaching 98%. The initiative has also enhanced business skills.
- ❑ Proprietors received funding to purchase and renovate a building. Through financing provided by a CFDC in partnership with other agencies including a second CFDC, the business has been able to generate sales of approximately \$800,000 and increase employment by six positions.

In addition to these business related impacts, the CFDC network was often perceived by respondents in the focus groups and interviews as acting as a catalyst for community economic development and diversification from both a local and regional perspective. Specific observations made by respondents included:

- ❑ The CFDC is helping communities with working together. Five years ago, communities would have thought locally. Now they are thinking and acting regionally.
- ❑ Facilitated the development of a direction for a wide array of communities.
- ❑ It is important to note that the results of the program are not just jobs, with employment being a by-product of healthy communities.
- ❑ The CFDC has provided support towards the realization of a diversified economy.
- ❑ Have assisted a broad cross-section of communities with economic development.
- ❑ Have seen diversification of the local economy.
- ❑ The CFDC brings communities together to address issues.
- ❑ Have brought communities together and built dialogue with Aboriginal bands.
- ❑ Promoted regional cooperation and bridging between communities.

A related challenge though, was that there could be a concentration of impacts in the community in which the CFDC office is located, particularly if financial pressures prohibit the ability to travel to, or maintain partnerships in, other areas in the service region.

Community economic development efforts are seen to be instrumental to achieving the mandate of the CFDCs and the Program. Although further progress can be made in establishing and tracking relevant measures of success, a recent study quantified a range of employment, business start-up and revenue impacts.¹⁰ Coupled with the project file reviews provided in Appendix A and highlighted below, it is evident that a range of benefits, both quantitative and qualitative, can be realized through investments of this nature.

- ❑ A CFDC facilitated the formation and ongoing operation of a local committee to formulate an integrated watershed plan, enhance stakeholder engagement and address sustainability of a major lake. Through this committee, funding has

¹⁰ Refer to "Impact of the Community Futures Program in Western Canada", Ference Weicker and Company, 2002, that estimated that 720 jobs were created, 46 new businesses formed, and revenues of \$4 million generated on the basis of an investment of \$15 million (of which \$2 million was federal funding) in twenty four community economic development projects.

been leveraged from several organizations and levels of government, and a four-year study of two basins is underway.

- ❑ A CFDC has successfully received funding from two forest companies that is used to act as a secretariat for a public advisory committee. This committee, formed to fulfill a public consultation requirement, has broad representation and provides ongoing direction and advice on forest operations and planning.
- ❑ A CFDC provided staff support for a tourism marketing initiative that since inception has seen an increase in the level of partnership, developed and distributed over 40,000 brochures, re-launched a website, established a toll-free number, hosted a Familiarization Tour, and provided for active outreach through workshops and other events.
- ❑ Through funding provided by a CFDC, as well as a First Nation, the Gilaxdamix Arts and Cultural Centre was formed. It is anticipated that this project will lead to greater diversification of the economy, and during construction phases, create temporary employment for local people as well as generating expenditures in the community.
- ❑ An Independent Employment Program funded by a Provincial ministry provides those on income assistance with skill assessments, training and guidance on the preparation of business concepts, a personal action plan, and a business plan. As of March 2002, over ninety clients have participated with a successful completion rate of 81%. Participant satisfaction ratings are relatively high, and at least seven successful business ventures have resulted from the program.
- ❑ Through funding provided by a CFDC, a diagnostic tool known as the Business Vitality Index was developed. This tool was subsequently applied to two remote communities, and supports the identification and development of community economic adjustment plans and projects. It can also serve to attract partnerships and additional resources in support of community transition planning. Although there is little quantitative data to demonstrate success, testimonials and anecdotal information indicates that the project is viewed as having positive results.
- ❑ A multi-stakeholder watershed coalition was formed in the late 1990s with a CFDC providing a staff coordinator and serving as a primary facilitator. Membership in the coalition has grown from fifteen participants to over 80 groups and 200 members, and the organization was able to obtain Provincial government grants to complete more than 60 projects. These grants were equivalent to \$1.75 million, which led to the leveraging of \$2.6 million in other funds and \$1.3 million in in-kind contributions for a total of \$4.35 million invested in watershed improvement.

General Conclusions and Observations

The results of the evaluation demonstrate that the Program has generated positive results for businesses, entrepreneurs and communities, continues to have a strong rationale, and is supportive of the strategic directions and priorities of both WD and the Federal government.

Although the manner in which strategic directions are translated into specific priorities, programming and service delivery varies among CFDCs, there remains a general consistency with the intent of the Program, WD and the Federal government. It was also found that the community based service delivery model for the Program was highly valued with regional Boards that engage local interests and build community capacity, strong management, and innovative partnerships and projects that are generally viewed as complementary to other regional and community-based agencies and institutions. With respect to maintenance of the current CFDC network, the general consensus among respondents was that this is critical for addressing the service needs of rural communities. Along these same lines, clients indicated a high level of satisfaction with the level and quality of services. The majority of respondents further indicated that the Program demonstrated positive outcomes in terms of the creation and maintenance of jobs, new business start-ups and retention, importation and maintenance of wealth in the regions, and improved community planning and prosperity.

A number of associated issues must be accounted for though, to ensure that the Program and, in turn, the CFDCs are both effective and sustainable over the longer term.

- ❑ Due in part to financial pressures, a number of CFDCs have reported that they are no longer strategically committed to serving as the “lender of last resort” to entrepreneurs and new business ventures. Rather, there is a growing emphasis on managing loan portfolios in a manner that serves to reduce the risk of unrecoverable debt and increases the return on these funds.
- ❑ There is a need for further collaboration among CFDCs in terms of sharing resources and best practices, and in strengthening partnerships with local groups and communities (e.g., Aboriginal groups).
- ❑ The provision of core funding is commonly acknowledged as being critical to the ongoing viability of the vast majority of the CFDCs. However, the degree to which

this core funding is considered sufficient to cover the scope and geographic areas of service as well as the requirements stipulated in the contribution agreements is questionable. This constrains, in turn, the ability to service more remote areas with distant communities, to attract and retain key staff, to provide staff with adequate professional development opportunities, to commit to longer-term projects, and to engage in community economic development initiatives.

- ❑ The governance model varies among CFDCs, ranging from more of a Carver policy-based framework to “hands-on” director involvement. Such differences also exist in the level of representation, recruitment and turnover at a Board level.
- ❑ The majority of Board respondents reported that CFDC managers demonstrated strong capabilities and performance, although the attendant risk is that the loss of a competent senior manager in the absence of any succession plan could have a significant and detrimental effect on the operations of the office.
- ❑ With some notable exceptions, particularly in Saskatchewan, respondents described provincial associations as providing needed support and value. However, improved communications over the role and contributions of the associations, especially the Pan West association, are warranted given uncertainty expressed over mandates and services. In the case of the Pan West association, this may reflect both the need for enhanced communications and that this institution is less mature in its development.
- ❑ There is a need for further refinement of the measures of performance used in the Program, and as reported by CFDCs. This would entail the use of a smaller set of metrics that are both relevant and targeted towards the key decisions to be made. Frustration was also expressed by a majority of management and senior staff respondents over the monitoring and reporting process being too time and resource intensive. Inconsistencies in statistics, and between templates that are used and reporting formats, has resulted in what is seen to be a “very bureaucratic process”.
- ❑ There was a general lack of certainty among Board, management and senior staff respondents as to the use of reported information by WD for decision-making.
- ❑ A general lack of awareness among the communities and in relation to the Program and CFDC services was also raised as a concern. The attendant risk to be managed, however, is the creation of demand for services through successful outreach that might exceed what can be provided using available resources.

Overall, there is a need to address the implications for future delivery of services under the Program given funding constraints as well as consistency in governance, the level of engagement among CFDCs and with First Nations, succession of senior management, performance measurement and reporting, and further outreach. With respect to the associations, improved communications over their roles, mandates and services is also warranted.

The Way Forward

After conducting the evaluation, we arrived at a number of recommendations for action by WD and in relation to the Program. These are profiled below.

1. Continue to financially support the CFDC network and Program

The Program is viewed as a critical initiative that directly supports WD's strategic priorities and directions, and the broader aims of the Federal government. Investments in the CFDC network have resulted, in part, in capacity building within communities, the establishment of small businesses and entrepreneurial activity, and have generated partnerships among local government, First Nations and other regional interest groups. Coupled with findings that indicate that the CFDCs complement other initiatives and organizations, and address outstanding community needs, there is a need for ongoing funding and investment from WD in the Program.

2. Establish a long-term funding mechanism between the Federal government, WD and the Program

Recognizing the extended nature of many CFDC services in terms of timeframes, and the necessity for commitments that go beyond a fiscal year (or indeed a fiscal quarter, as is often the case with March 31st monies), a multi-year funding mechanism needs to be established. At the Program level, WD and the federal Treasury Board Secretariat should work jointly to develop a multi-year agreement under which funding can be delivered, and that allows for accountability for results as well as the meeting of government priorities. The use of funding targets and building off the annual operations plans could be explored in this regard. The need for such a mechanism is further substantiated in the case of CFDC investments in community economic development, which are particularly impacted in a negative manner by the current annual and end-of-fiscal year budget allocations.

3. Provide for funding augmentation based on specific CFDC attributes

In order to address the constraints facing CFDCs in remote areas, and to compensate for the costs of providing services across large service areas, WD should consider augmenting core funding for these offices (i.e., in a manner equivalent to "Northern allowances"). In so

doing, this will respond to the primary challenges facing certain CFDCs, namely large geographic areas with remote and dispersed communities that results in high travel costs for staff and Board members, an absence of partners in areas with relatively small populations, and limited abilities to pursue alternative sources of funding.

4. Establish a standard governance model that can be adopted by CFDCs

While recognizing that the responsibilities of a Board of Directors is determined by the legal and administrative framework within which the organization is incorporated and functions, a “best practices” model of governance should be developed by WD in partnership with the provincial associations and encouraged for adoption by the individual CFDC offices. These best practices should reflect that the Directors of the CFDCs are stewards of the organization and that they have a responsibility to oversee the conduct of the office and to monitor management as well as to endeavor to ensure that all major issues affecting the affairs of the organization are given proper consideration. The best practices model should, therefore, address core issues such as: the structure, term and composition of the Board; the role and mandate of committees; and the relationship of the Board and its responsibilities for day-to-day management of the CFDC.

5. Streamline monitoring and reporting requirements for CFDCs

The reporting requirements for the CFDCs appear to be extensive, and in some cases, there exists a duplication of effort. To address these concerns, the existing performance measures should be refined based on considerations of:

- ❑ The principal audiences for reporting purposes (i.e., Board members, WD regional representatives, Treasury Board, the public, etc.);
- ❑ Their purpose (i.e., how they are used in terms of judgments to be rendered);
- ❑ Relevance to key Program outcomes; and
- ❑ Ensuring a balance between monitoring, ensuring compliance, and informing management decision-making.

Having WD representatives evaluate the existing measures using a defined matrix of criteria and in collaboration with the CFDCs, along with revisiting the logic model for the Program and establishing such a model for an “average” CFDC, would serve to meet this requirement.

Coupled with this effort, WD should streamline the reporting process by focusing quarterly reports on a limited subset of measures, with annual reports providing information in relation to the core set proposed above. Interview respondents were nearly unanimous in

their responses that the amount of time and effort required to complete reports was excessive.

6. Provide for more regular and consistent feedback on CFDC performance

To assist in establishing a stronger connection between WD and the CFDCs, a “feedback” process should be implemented that provides for periodic commentary and direction on quarterly reports, annual reports and annual operations plans. This could include, for example, the distribution by WD regional representatives of a summary of annual provincial performance statistics with a narrative explaining their importance and role in decision-making, as well as highlighting CFDC achievements.

7. Promote the investigation of opportunities for more proactive outreach among CFDCs, and by CFDC associations

WD should endorse the profiling of CFDC services, their intent, and primary client groups along with the use of local community publications and media in this regard. Furthermore, the provincial and Pan West associations should be encouraged to increase their outreach efforts, with an emphasis on mandate, services and the value proposition for members. In so doing, this will address concerns raised by Board, management and senior staff respondents over a general lack of awareness and uncertainty over the role and contributions of the associations, as well as Program services from the perspective of potential clients and partners. Furthermore, there is the side benefit of enhancing the visibility and presence of WD and the Federal government in communities across Western Canada.

8. Develop and distribute a general strategy to recruit, retain and provide for the succession of the best and brightest Program personnel

In addition to addressing the earlier recommendations on funding for the Program, there is a need to proactively manage the issues mentioned by respondents on the recruitment and retention of skilled staff, as well as the risk of impaired CFDC performance through the loss of a senior manager and in the absence of a succession plan. To address this, WD representatives should develop a “manager toolkit” relating to options for succession planning, identify “difficult to recruit” positions (primarily at a CFDC level), and develop general strategies to recruit and retain employees for these positions. This might include, for example, promotion of the benefits of working for the CFDC as an “employer of choice” and attracting students for auxiliary and co-op positions.

Appendix A

Project Case Study Summaries

Business Loan Project 1

An initial loan of \$50,000 was provided for the manufacture and marketing of a new product. The loan was obtained in August 2000 and was repayable over a 42-month term. The intent of the initial loan was start up of the business. The client later prepared an investment proposal in April 2001 to raise additional funding for a manufacturing plant. The CFDC made an additional loan of \$75,000, repayable over a 60-month term. The client expected to raise \$500,000 through three public share offerings and succeeded in raising \$340,000 in private investment. The CFDC assisted the client in securing additional funding from Alberta Financial Services Corporation, AVAC, and Farm Credit

The manufacturing plant is in operation and employed five people as of August 2001. The client continues to pursue large sale accounts and loan payments have been made on time to date.

Business Loan Project 2

In this case, the client required a business loan to purchase two manufactured homes for inventory and to obtain exclusive dealership rights from the manufacturer for northeastern Alberta and northwestern Saskatchewan. The \$125,000 loan was granted March 28, 2002 for a term of five years amortized over 60 months with a twelve-month renewal. The interest rate of the loan is 8% per annum. Additional financing was obtained from a private investor and through owner equity.

The facility purchase price of \$110,000 was funded by the private investor and owner equity. The property is an asset of the company. The result is a viable business which otherwise would not have been established which provides a service, that is currently unavailable within the local and surrounding areas. Sales for 2002 have exceeded projections, and are almost two million per year to date for their first 11 ½ months of operation. Two full time and two part time positions have been created by the business and it has also taken over the dealership in an adjacent area.

Business Loan Project 3

This case involved funding for the purchase of inventory and assets for an existing business. The purchase price was reported to be \$150,000. A loan for \$53,000 was provided on September 10, 2001 for a four-year term with interest at prime plus two percent for \$25,000 and prime plus four percent for the remaining \$28,000. Funding was provided through the Youth and General Investment funds, with additional financing from owner equity.

The business is now a successful operation that has been transferred to young entrepreneurs. Sales increased from \$302,000 in 2000 to \$465,344 for the twelve-month

period ending December 2002. Employment increased from one full time plus four part-time to two full-time and six part-time positions.

Business Loan Project 4

Through a CFDC a loan was made to finance the purchase of an existing business and to make upgrades. The previous owner also had a loan with the CFDC and was in default, although subsequently the loan was paid off in its entirety. The first loan for \$68,000 was made in September 1999 for a five-year term. Another loan of \$18,634 was made in January 2000 for a five-year term. The outstanding amount was refinanced in February 2003 for a three-year term.

Total funding was provided by the CFDC. To date, the business is successful with annual revenues of \$250,000 per year, employment opportunities for five full time positions plus between three and five part time positions.

Business Loan Project 5

An individual that participated in the Self Employment Program in 2001 subsequently approached the CFDC for business funding. Coaching was provided in 2002 through the business planning process and assistance was provided with spreadsheets and forecasts. In addition, a capital loan was provided in December 2002 for working capital, to catch up on payables, and to finance additional inventory and equipment purchases. The loan was for \$80,000 over a three-year term, and amortized over ten-year period.

The company had owner's equity of \$69,000, which included equipment, inventory and a trailer. A silent partner co-signed the loan. The company is now a successful business with sales of \$80,000 in 2002 that are projected to increase to \$199,000 in 2003 and \$358,000 in 2004. Staffing is expected to increase from its current level of two people to between four and five individuals. The company currently has sales across Canada with indications of continued positive growth and good potential to sell into the United States. However, it is too early to determine the annual sales increase.

Without the CFDC loan the company would have ceased operations and the business would have been lost to the area where it is located

Business Loan Project 6

The client in this case required financing for the expansion of an existing software business and working capital to implement a marketing plan for forest industry specific software applications. A \$125,000 loan was made to the company on Jan. 19, 2000 for a five-year term at an interest rate of prime plus 3%. The loan was paid back in full in Nov. 2002.

The Royal Bank also provided funding to the company and in December 2000, which was during the term of the CFDC loan, the Business Development Bank of Canada provided a loan for \$250,000. The CFDC postponed their position behind the Royal Bank to a third position behind both the Royal Bank and the Business Development Bank of Canada to enable this latter loan to be made.

Sales increased from \$647,000 for the year ending June 2000 to \$3.4 million for the year ending June 2002. Employment increased from 13 staff to 32 staff in the same period.

Business Loan Project 7

A CFDC provided a loan to develop a destination lodge facility for a heli-ski operation and fishing resort in Northern British Columbia. The first loan was issued (\$7,750) in June 1997 followed by a second loan for the lodge development (\$75,000) in 1998. A third loan to develop a fish lodge (\$25,500) was issued in 1999. All three loans are largely repaid or in good standing and were provided for through the core WD funding allocation.

Eight local contractors were hired for the construction of the lodges and the resort is now fully operational and operating at capacity. Both operations have created a niche tourism destination. The operations employ local people and provide international exposure for the region.

Business Loan Project 8

In 2001 a loan for \$250,000 (from core WD funds with a fifteen year term and monthly payments) was provided by a CFDC for a business that developed a management software package for a specific industry, and based on software used over the last twenty years. The client in this case required capital for the fine-tuning of the product and the initial marketing services. The plan was to create either an independent entity or a subsidiary to deal exclusively with the marketing and service provision for the software.

The Business Development Bank of Canada provided the additional funds required by the client and the loan was guaranteed by a realty mortgage on the principles personal property, the loan agreement, and a guarantee from the principles. A site visit was conducted in January 2002. At that point and time, the client was not marketing the software since the product required some revision to better match the needs of the specific industry.

Business Loan Project 9

In the case, a client required a \$9,200 loan to finance inventory and equipment for a business. The total project cost was \$28,200 with \$19,000 contributed from owner equity.

The business is successful to date and has created one full time position. Furthermore, it has resulted in a new tourism and hospitality venture within the community.

Business Loan Project 10

In March 2001, a client requested \$150,000 for the purchase of a rotary dryer and dust burner. The CFDC and the Forestry Community Loan Fund provided financial capital in the amount of \$150,000 from a forestry fund and the investment fund, with monies being advanced in June 2001 for the acquisition of the equipment and as part of an expansion to enhance mill production capacity.

Financial statements indicate that for the fiscal year-end July 31, 2000, sales were just over \$3 million, and that for 2002, slightly in excess of \$7.2 million. It was also reported that employment now totals 39 full-time staff, with average hourly wages in excess of \$14 per hour depending on position and seniority. In addition, production level increased by 50% from 50,000 tonnes annually to 75,000 tonnes annually, with the primary driver being the need to service overseas markets and existing business relationships.

Business Loan Project 11

In January 2001, a client requested a \$27,750 loan from a CFDC to establish a business in a local community with secondary markets existing in neighboring communities. At this point in time, there were no existing competitors in the area and the interest rate was specified at nine percent.

The client was financed through the Youth Entrepreneurs Program, NACCA First Nation Youth Program and Aboriginal Business Canada. The CFDC also pursued a partnership with Tribal Wich Chi Way Win to reduce their risk from \$27,500 to \$13,750.

The business was anticipated to create two full-time and one part-time position, with the potential for further employment opportunities in the future. There has been some success and the CFDC Board approved a further \$31,000 loan on January 23, 2003 to “purchase further equipment and a expansion to increase storage and customer service areas.”

Business Loan Project 12

A peer credit program was established as a partnership between the Business Development Bank of Canada and a CFDC. The program provides participants with access to credit to a maximum principal amount of \$5,000 per individual. Currently, there are five peer credit groups that have been established in a First Nation community with total participation standing at twenty-five individuals. Group size ideally ranges from a minimum of four individuals to a maximum of seven. The Business Development Bank of Canada and the

CFDC recently signed an agreement that extends the program an additional two years to 2005.

The total aggregate of loan principal outstanding cannot exceed \$40,000 and the Aboriginal Band office contributes to the overall program through in-kind contributions and referrals. The Business Development Bank of Canada, in turn, has agreed to assist with the delivery of training related sessions throughout the two-year extension. As each loan has a repayment period of twelve months, training sessions are held on a quarterly basis to prepare participants for the business experience.

Since inception, the program has been reported as a success. Participation in the program has increased with repayment rates at 98%, and business skills have been enhanced along with awareness and access to additional programs and resources both within the community and in the surrounding area.

Business Loan Project 13

In this case, the applicant obtained \$18,100 (to be amortized over five years at 8.75%) for a start-up small equipment repair business, specifically to purchase a parts inventory, office equipment, a trailer, tools, and leasehold improvements. However, the applicant subsequently left the business and took on new, full-time employment. He continues to make periodic payments on his aged account as his wife's property is still kept as security over the loan.

Business Loan Project 14

This case involves three individuals that sought project financing to purchase and operate a franchise in Brandon. Security was taken in the form of promissory notes signed by the borrowers, second mortgages on their homes, as well as chattel mortgages, GSA on all business assets, insurance on all business assets, and mandatory life insurance. The risk was assessed to be moderate to low by the CFDC Manager in his submission to the Investment Review Committee. The loan was financed through WD core funding and amounted to \$125,000 with an interest rate of 10% over a ten-year term. Client equity is \$60,000 (or 32% of the total project financing). Currently the franchise is still in operation and has been somewhat successful – although it is still in its developmental phase.

Business Loan Project 15

A client required a capital loan to open a franchise store, with a franchise operation allowing the owners the opportunity to operate their own business while creating several employment opportunities. This particular store supplies a need for customers who require high quality everyday items at low prices.

The total aggregate of the loan was \$123,000 plus one-time application and administration fees of \$2,460. The terms of repayment are over a three-year period ending on December 1, 2004. The Women Entrepreneurs of Saskatchewan reportedly provided an additional \$100,000 of financing, with the owners supplying an investment of \$60,145. Since inception, the project has been very successful with the owner winning an award for exceeding revenue targets.

Business Loan Project 16

In this case, a loan was conducted as an equity stake in a corporation involving a \$125,000 equity investment at a 22% investment rate with annual payments in June of each year. The project is part of a forestry strategy and also received financial support from the community and Crown Investments Corporation. The intended deliverables included job creation targets of 16 to 20 positions, a successful repurchase of the shares and stabilizing the community by enhancing the capacity for economic diversification.

The share buy back was constructed using a sixty-month timeframe. In the 36th month half of the shares would be purchased, followed by one-quarter of the shares in the 48th month and a final repurchase of the outstanding balance in the 60th month. Penalties can occur if payments and/or the repurchasing of shares are not made on time.

Business Loan Project 17

Proprietors wanted to purchase a building and renovate it to expand capacity. The CFDC provided a \$125,000, sixty-month term loan beginning in November 2002. Funding was leveraged between the CFDC, the Northern Enterprise Fund, a second CFDC and a vendor (second mortgage).

The intent of the loan was to establish a viable thriving business and the creation of employment opportunities. The business generated sales in the \$800,000 range in 2002 and revenues are projected to be \$1.14 million in 2003 as a result of the expansion. Previously 17 people were employed with this now growing to 23 individuals, representing an incremental increase of six positions as a result of the loan.

Business Loan Project 18

A client required financing to establish a manufacturing plant and to provide an opportunity for local farmers to access value-added agricultural processing to meet market demands in Taiwan, South Korea, Japan, and China. The project is anticipated to begin in April 2003 although the business plan provides for a contingency plan that includes a 2004 commencement date.

Investors for the project include: Korean investors, financial institutions, local investors, RM Strathclair and the CFDC. The total investment is for \$1,800,000, with the CFDC contributing \$125,000. The company anticipates having at least nine staff by the second year of operation.

Community Economic Development Project 1

A one-week summer camp for youth was started in 1997 with a focus on teaching basic entrepreneur and business skills. Initiated by the Entre Corp CFDC, fourteen other CFDCs now participate as partners in the camp. Each CFDC sends four campers and two volunteers for the week.

The camp program includes guest speakers, team building, presentation skills, core business classes, and a variety of recreational activities. Business teams are formed for the week and each team is responsible for running their “business”. Bank personal come out for one day to meet with the teams and participate in an application for financing session. Each group obtains loans from the bank of \$300 to \$500 to finance their project for the week. An awards ceremony and Business Fair are held at the end of camp to raise money to pay back loans and generate a small profit for each business team.

The original camp had thirty kids participating, with this growing to 60 kids and over one hundred applications for the prior year. In addition to the camp program, the CFDC also runs a Counselor in Training program for past campers who want to stay involved with the camp. Counselors receive first aid, communication, and entrepreneurial skill training before the annual camp.

Each CFDC that is a partner in the program raises the needed funding from local community groups and businesses. Sponsors include WD Human Resources Development Canada, Shell Canada and other local businesses. Community organizations and businesses that sponsor a camper are put in contact with the actual individual. In Medicine Hat, campers are required to make a presentation to their sponsor of the product and business plan following completion of the camp. Finally, Alberta Education has approved the camp as the equivalent of two credits in the high school career and technology program.

Community Economic Development Project 2

A full day regional visioning workshop was held on February 28, 2003 with seventy-eight participants attending the session. This participation included representatives from First Nations, industry sectors (i.e., forestry, fishing, tourism, oil and gas, and agriculture), students from area high schools, seniors from the participating regions and all levels of government as well as the Provincial Minister of Economic Development. The Lakeland Community Development Corporation coordinated and facilitated the one-day workshop.

The planning phase was four months prior to the workshop, which was one of two community economic development projects funded by WD. Alberta Economic Development contributed three facilitators as part of this undertaking.

The workshop's purpose was to develop a regional vision and strategic plan for economic development and to build a joint perspective for approaching issues in the region. The diversity of stakeholders participating has never occurred prior to this event. There has since been a request to repeat the process in another two years time to review progress and to reassess strategies and priorities.

Community Economic Development Project 3

The Lesser Slave Lake CFDC facilitated the creation and provides secretariat, advisory and administrative functions for the Watershed Committee for the Sustainability of Lesser Slave Lake initiative. The Watershed Committee operates as a sub-committee of the Lesser Slave Lake Development Corporation and has the express purpose:

- ❑ To formulate an integrated plan, in consultation with stakeholder groups that addresses issues of sustainability of Lesser Slave Lake.
- ❑ To ensure effective, two-way communications between the committee and all stakeholder groups.
- ❑ To determine how to gain meaningful support in addressing issues regarding sustainability of the lake.
- ❑ To help collect data and assimilate data regarding sustainability issues.
- ❑ To be a catalyst in driving the process for addressing sustainability of the lake.
- ❑ To be proactive and visionary.

As noted above, the CFDC was involved in the formation of the committee and continues to provide ongoing services and support with funding in fiscal 2001/2002 totaling slightly in excess of \$17,000. The Town of High Level, Town of Slave MD of Lesser Slave Lake,

Alberta Environment and other industry stakeholders also provided financial contributions, and Alberta Environment is funding the Water Management Plan.

Due to the coordinating role played by the CFDC, the committee has been able to collectively leverage its ability to influence government than would have been the case on an individual basis. As a result, Alberta Environment has agreed to significantly fund a four-year study (Water Management Plan) for Lesser Slave Lake and the Lesser Slave River Basins. Alberta Environment also looks to this group as the main contact point for lake issues. The primary intended outcome of this initiative is to enhance economic development for surrounding communities and industries located in the watershed area in a sustainable manner.

Community Economic Development Project 4

In this case, the Mackenzie Economic Development Corporation acts as a secretariat for a High Level Forests Public Advisory Committee (“PAC”), which is comprised of stakeholder groups, government organizations and industry representatives. The PAC was formed to fulfill a public consultation requirement of High Level Lumber Division’s new Forest Management Agreement. Working at arms length from two large sawmills in the region that employ both directly and through contractors almost 1,000 people, the PAC represents community interests and provides ongoing direction and advice on company operations and planning. The mandate for the PAC encompasses:

- ❑ Serving as a liaison between the public and the industry to facilitate the exchange of information and to ensure that issues and concerns are dealt with in an effective and professional manner.
- ❑ The promotion of responsible management of the forest for the present and future interests of stakeholders, with an emphasis on environmental protection and economic development.

Representation includes, but is not limited to, First Nations, government, public representatives from local municipalities, trappers, loggers, forest products companies, recreational users, tourism, the oil and gas industry, economic development interests, environmental interests and wildlife representatives. The CFDCs’ involvement began in the early 1990s and continues to date.

Both sawmills provide total funding for the PAC and the CFDC is being paid a total of \$12,000 per year. Through this funding, the CFDC facilitates delivery by the committee stakeholders.

Community Economic Development Project 5

The Southwest Alberta Business Development Center was a founding member and driving force behind the development and ongoing operations of the Cowboy Trail Tourism Association, a tourism initiative that links the communities along Highways 22, 5 and 6 from Cardston to Mayerthorpe. The association is an alliance that includes 26 municipal communities, 13 Chambers of Commerce, six major rural attractions, and more than 155 private sector operators. As a founding member, the CFDC provides in-kind contributions in the form of personnel and administrative support, which is made available by WD core funding.

The project was established specifically to promote the use of these highways as a scenic touring route and as an alternative to other roads. The campaign is intended to make the public aware of the foothills communities and their attractions, including the western heritage, museums and interpretive centers, western artisans and crafts and small town amenities. Additionally the longer term intent is to create enough marketing strength to position member operators of farm vacations, guest ranches, working ranches, trail rides and horseback outfitters to compete with other more well known destinations. The integration of all the western tourism products is expected to result in more effective marketing of the region.

Community Economic Development Project 6

In this case, the West Yellowhead Community Futures Development Corporation has been the lead organization facilitating the development of Grande Alberta Trail, which is a tourism marketing initiative to increase visitation-involving communities in west Central Alberta and in relation to a 1,200 km trail. This trail is a circle tour of highway routes along Highways 16, 40 and 43 that profiles attractions, adventures and activities. The Grande Alberta Trail initiative is comprised of partner communities and resource partners such as Economic Development Edmonton and Travel Alberta. The initiative also involves over 100 delivery partners made up of tourism operators.

The CFDC's involvement began in 2000 and continues to date, having assumed a more active facilitation role in 2001. WD core funding provides in kind contribution for staff support, with additional funding of \$42,500 having been secured this year from partnering municipalities, advertising revenue, Alberta Tourism and corporate partners.

Since inception, the Grande Alberta Trail has reportedly generated the following impacts:

- ❑ An increase in partnerships to eleven communities, two private interests and four resource organizations.

- ❑ Developed and distributed 40,000 Grande Alberta Trail brochures.
- ❑ Re-launched the Grande Alberta Trail website.
- ❑ Established a toll-free number housed by Edmonton Tourism.
- ❑ Increased awareness through media coverage including numerous articles in newspapers and magazines, as well as regional radio stations and other media coverage.
- ❑ Hosted the second Familiarization Tour, which included 21 representatives from Edmonton Tourism, Travel Alberta, local tourism operators, media, photographers, travel writers and municipalities.
- ❑ Provided for active outreach through workshops, trade shows, and local presentations to various organizations.

Community Economic Development Project 7

This project involves the creation of an arts and cultural tourism destination known as the Gitlaxdamix Arts and Cultural Centre. The facility services tourists, commercial operations and local needs for recreation and arts, and takes advantage of the scenic views of the Nass Valley as well as serving as a logical rest point for tourism traffic on the highway. The design of the building has room for three commercial leases, local artisans, and meeting rooms for locals. A kitchen can also be leased for a small coffee shop

The project was jointly administered by the CFDC of 16/37 and the New Aiyansh Village, with a total project cost was \$520,350, of which the CFDC contributed \$200,000. The project was completed between March 2002 and May 2002, with construction having started in 2001 (there was a temporary halt to construction during winter months, primarily for the safety of the workers).

The project is intended to facilitate the diversification of economy through enhanced tourism. Four local people were hired for the construction of the project for a six-month period, and construction indirectly benefited the local contracting company as well as a community convenience store.

Community Economic Development Project 8

The Independent Employment Program is a two-week offering that was initiated in April 2000 by the CFDC of Central Island is available for registration on a monthly basis and offers classroom instruction for those on income assistance on business planning and operations (e.g., marketing, budgeting, financing, etc.). The program also allows for skill assessments (e.g., communication, research, organizational, interpersonal, leadership, financial, creativity and operational), development of a business concept outline, a four-

week personal action plan and a personal marketing plan that is then critiqued by the instructor and peers. There is no cost to the participant, who must participate in an assessment interview with an advisor to determine eligibility and after the program, a follow-up interview.

Individuals can work with Provincial ministry staff and the CFDC advisor to develop an employability agreement and, following this, to be referred to a business plan seminar followed by a series of workshops (e.g., bookkeeping, advertising, sales, networking, etc.) and financial assistance for up to one year. Part of this application is a completed business plan, which is then reviewed by an adjudication committee that also meets with the applicant. Note that to qualify, an individual must be actively engaged in operating the business for 35 hours a week and be an owner with at least a 51% share.

The contract is held with a Provincial ministry, and for the period April 1, 2002 to November 30, 2002, this agreement stipulates an 85% success rate target for participants, with a target of five participants on a monthly basis. Over 90 clients have participated in the program over the period April 2000 to March 31st, 2002, with a successful completion rate of 81%. Participant evaluation forms, of which twenty were randomly selected and reviewed, indicated:

- ❑ 100% satisfaction in terms of the courses meeting expectations, and willingness to refer others.
- ❑ An average rating of 4.7 on a five-point scale in terms of the quality of instruction (i.e., “5” being excellent).

Of those that successfully completed the program over this timeframe, 38% did not pursue self-employment whereas the remainder continued on to receive business plan training. Out of the latter group, 24 completed business plans and advanced to the self-employment program and to-date, there have been at least seven successful business ventures.

Community Economic Development Project 9

Funding under a “Local Opportunities Initiative” was provided by the CFDC of Central Kootenay to support an identification study and initial implementation for a local community economic development project referred to as the Entrepreneurial Capacity Test for Communities. The name has subsequently changed to the Business Vitality Index. This is a diagnostic tool developed by the CFDC that measures the business-friendliness of communities by determining their strengths, gaps, weaknesses, and opportunities for entrepreneurial and development possibilities.

The funding was provided to carry out diagnostics of two Central Kootenay communities. After an amendment to the original proposal, \$8,000 in WD funding was contributed in

March 2002. Completion of the project necessitated significant community support in the form of participation in focus groups.

The Business Vitality Index is intended to serve as a catalyst for community collaboration in the identification and development of community economic development adjustment plans and projects. It also attempts to “seed” local economic development opportunities that serve to diversify communities, and to attract partnerships and additional resources that are required to establish a transition plan.

The project has reportedly proven to be valuable to the communities involved as evidenced by testimonials. At this point though, little tangible evidence exists to support whether the communities involved are acting on the index results. Anecdotally, a forestry operator appears to be implementing some of the shorter-term action items.

Community Economic Development Project 10

A Valemount Economic Development Strategy was proposed to the Fraser Fort George CFDC in January 2003, with a specific request for funding for the development of a community action plan and in support of a Softwood Industry Community Economic Adjustment Initiative. The project is expected to establish a “community vision” that describes the desired future state for business, industry and the general community.

Two facilitated public forums and two stakeholder meetings including industry representatives from forestry, tourism and other industry sectors were planned for the project. The first forum (February 17th, 2003) included a presentation on an existing Economic Development Strategy and provided updates on key sector strategies (e.g., tourism, forestry, technology, communications). The second public meeting (February 22nd, 2003) solicited direction on additional opportunities in a full-day format. The final report was to be prepared by March 31st, 2003.

A meeting report dated February 22nd, 2003 notes that the workshop facilitated this same day started with a review of goals and initiatives as contained in the original economic strategy. There were thirty participants that represented four industry groups, namely tourism, forestry, transportation and “growth”. Seven broad opportunities and initiatives were identified by the tourism group with the intent of transforming Valemount into a destination and service center for backcountry, soft adventure and eco-tourism. For forestry, the desired outcome was encouraging small value-added plants with a major operator acting as a hub, and three broad opportunity areas were identified. Additional opportunities were identified for forestry, transportation, and community capacity building.

Another project update makes reference to “a final report that identifies strengths and weaknesses, and the most viable economic development opportunities for Valemount and

area. This report will act as a catalyst to move the community forward with a commitment to positive economic change and revitalization.” Ultimately, the schedule attached to the WD funding agreement references the desired outcome of, “increased investment by partners in strategic economic development priorities that are intended to contribute to sustainable communities.”

Community Economic Development Project 11

The CFDC of North Fraser was approached by the Board of the Fraser Heritage Society and assumed a leadership role in the preparation of a proposal to a Provincial Heritage Branch for devolution of a heritage site. This proposal, although being led under the auspices of the CFDC, is for a local organization to assume responsibility for preservation of the sites heritage values and operations, with ownership of the buildings and collections remaining with the Province. A management committee has been formed of various community interests, and it is envisioned that this committee will take on the primary responsibility for managing the daily operations of the site. The CFDC chaired committee meetings, formed a subcommittee to oversee preparation of the proposal, and CFDC staff prepared the actual submission.

In addition to facilitating and leading the preparation of this community-driven proposal, the CFDC is working with local Bands and a forestry operator to establish an interpretive center on the Kilby site that would provide for a historic understanding of forestry activities and operations within the area. The Board of the Fraser Heritage Society along with First Nation and community interests endorsed a letter submitted by Peter Kilby, a surviving member of the original family.

A community meeting was hosted and facilitated by CFDC staff on March 3rd 2003 and enjoyed over 40 participants. The letter from Peter Kilby reported that the community response was positive and supportive of the direction being taken.

Community Economic Development Project 12

A Fraser Valley Regional Watersheds Coalition was formed in 1997 with the goal of “encourage communities to play a greater role in the watershed”. This was initiated by the CFDC of North Fraser, which provided a volunteer coordinator in the early stages of formation. From fifteen initial participants, the coalition has grown to represent over 80 groups with more than 200 individual member participants. Representation is broad and includes First Nations, government agencies, municipalities, the Fraser Valley Regional District, agriculture and forestry operations, fishing interests and community stewardship groups and organizations. There is no formal organizational structure, and the process was designed to be inclusive. The original coalition became a Fisheries Renewal BC Partnership Group in 1997, and received grants that resulted in the completion of more than 60 projects

through the central, upper and lower Fraser canyon. These projects included inventory and mapping of riparian areas, stock assessment and enhancement, habitat restoration, education and public awareness, and stewardship community planning. The grants were equivalent to \$1.75 million, which led to the leveraging of \$2.6 million in other funds and \$1.3 million in in-kind contributions (e.g., volunteer time, donated equipment and material, etc.) for a total of \$4.35 million invested in watershed improvement.

The coalition received the Fraser Basin Council Caring for Ecosystems Award in November 2000, and formed a “template” for the establishment of a Fisheries Renewal Partnership Group in the Upper Fraser Canyon – Lower Cariboo Region. However, with the demise of Fisheries Renewal BC, a crown corporation, this new group was never sustained. The coalition is still in existence though, and the CFDC has provided funding for a full-time coordinator (term expires in April, 03).

Community Economic Development Project 13

In this case, the Pacific Northwest CFDC provided a contribution of \$231,000 to assist in the extension of an existing pier, to purchase a new ramp, make improvements to trails, and to construct a traditional Tsimshian longhouse at Pike Island. Pike Island is a First Nations cultural and eco-tourism site that has received considerable media exposure. The Metlakatla Development Corporation and the community of Metlakatla undertook the work from February 21st to May 20th 2000. Additional funding was obtained from the BC Heritage Trust, a Crown Corporation, and Metlakatla Development Corporation. The total cost of the project was \$753,500.

The final project report indicated the following had been achieved:

- ❑ Five (5) seasonal full-time positions.
- ❑ Twelve (12) temporary full-time project jobs were created during construction.
- ❑ Two (2) temporary contractor employees hired during construction.

A three-year operation and marketing plan for the site had also been created along with a management information and reporting system for tracking users, revenues, and expenses.

Community Economic Development Project 14

The focus for this project was on the restoration of a First Nations Village at a cannery museum site known as the North Pacific Cannery Village Museum. Specifically, this included the construction of two replicas of original First Nation houses, and a boardwalk to link the museum. The project allows the museum to devote space in which to celebrate

the essential role of the First Nations to the fishing industry and to prepare for the development of a First Nations interpretive center.

Partners on the project were the Pacific Northwest CFDC and the Port Edward Historical Society. The project commenced on June 30th, 2000 and was completed by March 31st, 2002. The funding was provided through the Community Economic Development Initiative (\$250,000) from the CFDC, Parks Canada, two municipal governments, and the Historical Society.

The reported impacts for this project revolve around the expansion of the museum. The expansion may result in additional visits, although the project does not contemplate additional marketing efforts. Information as to the number of jobs created during construction or as a result of the completion of the project was not available.

Community Economic Development Project 15

The Keewatinowi Network is a fully digital wide-area-network proposed by the Kitayan CFDC for four First Nation communities in a remote northeastern region of Manitoba. Three innovative information and communication technologies were to be directly supported through this initiative, with each application being utilized as a strategic regional economic development tool to assist the four communities. These applications are:

- ❑ Interactive Instructional Television services;
- ❑ A regional television broadcast system; and
- ❑ A regional Internet service provider.

The original proposal called for the CFDC to provide in-kind contributions, and a regional agency referred to as Smart Communities was to contribute funding in the amount of \$44,000. Project deliverables were described as:

- ❑ Improve each community's socio-economic climate;
- ❑ Address priority needs such as education, training, and health care;
- ❑ Increase the economies of scale and cost-effectiveness of program delivery;
- ❑ Expand program service delivery in priority areas;
- ❑ Strengthen the organizational capacity of each community within the region;
- ❑ Develop mechanisms for information sharing such as 'best practices'; and
- ❑ Establish affordable and more reliable communications linkages with Winnipeg and other outside areas.

Smart Communities did not approve the project, however, and the CFDC has since followed up with a similar 'broadband' initiative with other organizations.

Community Economic Development Project 16

This case involves the Churchill North Gateway Council, which performs general and specific promotional activities in support of increasing the economic activity through, and the viability of, the Churchill North Gateway. The Churchill North Gateway encompasses the transportation and distribution systems that directly support increased multi-directional movements of international and domestic trade and traffic through Churchill, Manitoba, as well as other Northern regional centers. The North Central Manitoba CFDC is seen as the prime administrative facilitator for the project and provides secretariat services.

Members of the council include industry, all levels of government, community agencies including development corporations, and ex-officio and resource personnel.

The project is currently operating on a three-year business plan and all operating dollars are acquired through membership fees of \$1,500 for full members and \$750 for associate members. The project has several objectives, namely:

- ❑ Improve the image of the Gateway.
- ❑ Increase the volume of goods shipped through the Gateway.
- ❑ Monitor the competitiveness of the Gateway.
- ❑ Maintain and update infrastructure.
- ❑ Develop opportunities to promote the Gateway.
- ❑ Lobby for changes that will benefit all stakeholders.

The council has only been in operation for a little over a year, but there have been some positive results. Council members are working together to address transportation rates to ensure that the Gateway is competitive with Ports such as Montreal and Thunder Bay. In addition, efforts are being made to lobby for Extended Length Vehicle Policies to reduce costs and increase productivity with public safety in mind.

Community Economic Development Project 17

The Stonewall and District Innovative Crops Committee is a project specific partnership of community organizations, local government and individual citizens. The goals of this project are to provide for crop diversity as well as processing and other secondary opportunities. Members include producers, representatives for the Stonewall and District Chamber of Commerce, the South Interlake Agricultural Society, the Rural Municipality of

Rockwood, Manitoba Agriculture and Food, and the NEICOM CFDC. It is a three-phase project that will be completed in three years, with funding having been secured from multiple sources including the CFDC. In addition to a financial contribution, the CFDC also contributed upwards of \$21,000 of in-kind support. The first phase of this project is almost complete and is currently under review. The project has increased the CFDC's profile within the community as well as having enhanced the community's capacity for economic development.

Community Economic Development Project 18

A Prince Albert downtown strategic plan was organized in order to develop a market based approach to development and attracting new investment. The project was funded and developed as a co-operative project between the City of Prince Albert and the Prince Albert and District CFDC. The plan was developed over a six-month period with a final draft report being submitted in January 2003.

The CFDC contributed \$38,000 while the City of Prince Albert contributed the balance of the funding to \$75,000. The intended outcomes of the strategy are:

- ❑ Increased economic development through the attraction of new investment opportunities and potential incentive programs.
- ❑ Addressing social and cultural issues.
- ❑ Urban design, architectural and landscape controls.
- ❑ Marketing for business improvements.

The strategy is currently under review by the public and key stakeholders.

Community Economic Development Project 19

The Wakaw Canal project involved the development of a business plan to determine an appropriate "go forward" or development strategy. The community hired a professional consulting firm to carry out the work with a deadline of March 31, 2003. The Sagehill Development Corporation's contribution was twenty percent of project costs up to a maximum of \$5,000. The Town of Wakaw and the Wakaw Board of Trade provided both financial and in-kind contribution. Additional financial contributions were provided by community donations.

The intended results of the project are to create a local infrastructure (e.g. Wakaw Lake Canal Development Corporation), increase the involvement of the local community, and to inform decisions based on the results of the business case. If the project does not move

forward to the next phase, it is anticipated that the new partnerships that have been created will promote, in the long term, cooperative and positive stewardship of the lake.

Community Economic Development Project 20

This project involves the development of a Business Retention and Expansion Strategy for the communities of La Ronge and Air Ronge to address the leakage of retail and service dollars to Prince Albert. The Visions North CFDC serves as the facilitator to develop, plan and assist with implementation of the strategy and in partnership with a retention steering committee. The primary intent of the initiative is to bring together key stakeholders, facilitate the formation of a strong working group and to develop a community based retention strategy. The project was initiated in September 2002 with funding being made available until March 2003.

With respect to funding, an application was submitted in August 2002 to WD's Community Economic Development Opportunities Program for \$15,200 to cover the cost of a coordinators salary. Once the funding ends, it is anticipated that the CFDC will continue its facilitation activities with it being the only delivery partner on this project.

Project deliverables include:

- ❑ Compilation of existing information, strategies and methodologies on business retention and expansion.
- ❑ Identification and meetings with key stakeholders to develop a business retention working group.
- ❑ Facilitation of the development of an action plan with the working group.
- ❑ An educational or promotional event furthering the objectives of business retention.
- ❑ Support services as required by the working group.

Success for the project has been defined as encompassing the formation of a working group and development followed by implementation of a working plan. Initial anecdotal feedback is that there has also been an increase in sales and customer satisfaction. Furthermore, training needs of the businesses have been identified and investigated.

Appendix B

Profiles of Selected Community Future Development Corporations

The following are profiles for the twenty CFDCs that were part of the site visit component of this evaluation. It should be noted that the information supporting these profiles was primarily gathered from websites, marketing brochures, operations plans, and other previously published sources.

16-37

With its main office in Terrace British Columbia, this CFDC covers a vast area of Northern B.C. The CFDC has a staff of nine employees and a committed and effective Board of Directors. The CFDC is highly regarded in the communities it serves due partly to the efforts of the Board of Directors and staff to visit the communities on a regular basis.

Staffing of the CFDC reflects the strategic priorities of the organization. The CFDC has two staff members devoted to the loan portfolio and business services and two staff people dedicated to community economic development. However, the trend towards dedicated community economic development initiatives has really only been a priority in the last two years. This reflects that community economic development has emerged as a high priority as a result of the poor economy of the region. The vast territory covered by the CFDC though, and the limited core funding, are formidable challenges in the development of sustainable initiatives.

Central Island

The Central Island CFDC serves the Regional District of Nanaimo and the Town of Ladysmith in British Columbia. Its mission statement makes reference to: sustainable employment and economic development, improvements in economic “health”, building of partnerships, and representation of a broad cross-section of interests as being strategic areas of emphasis. The Board is comprised of twelve Directors, with there being two absent positions. There are also a number of volunteer committees (e.g., Business Development, Fisheries, Self-Employment and Youth Economic Development among others), the CFDC Manager, and four core WD funded staff positions out of a total of 14, not including hatchery personnel and contractors.

Activities and initiatives for the CFDC have included:

- Support for a youth conference and a student business fair.
- Provision of funding for entrepreneurs with disabilities.
- Maintenance of a Fisheries Legacy Fund (for loans).
- Management of access to investment funds.
- Maintenance of a Forest Renewal Fund and a Community Partnership Fund (i.e., provides guarantees for loans provided through the Nanaimo Credit Union).
- Administration of a self-employment program which targets independent employment for individuals on income assistance.

- Support for community economic adjustment projects including the Nanaimo Fisherman's Market, Chemainus First Nation community center, cooperative workshop, Nanaimo River Fish Hatchery, and participation in economic development task forces and strategy processes.

It is noteworthy that Board size has reportedly increased since fiscal 2000 while the number of core WD funded staff positions have decreased.

Central Kootenay

The Central Kootenay CFDC services a broad area from Nelson to Castlegar, British Columbia. The strategic direction of the CFDC focuses on job creation and entrepreneurial support. The CFDC has recently made an effort at community economic development (i.e., the Business Vitality Index) but long term core funding does not exist for this initiative and, therefore, it is in jeopardy of discontinuation. The local economy has been facing difficulty for a number of years. As such, it is estimated that one-third of the businesses in the region have had some degree of contact with the CFDC.

The CFDC is well managed, with the senior manager having been in the position for over ten years. The Board of Directors consists of a good mix of veteran (i.e., 5 or more years) and new (i.e., four or fewer years) directors. The directors are also chosen to reflect the geographical nature of the CFDC boundary. The CFDC is highly regarded in the community and is often consulted on local initiatives. The loans process is professionally managed with a loans committee of the Board of Directors and clear lending and collection policies. The management of the CFDC has also created an effective accountability framework for all its activities.

Fraser Fort George

The Fraser Fort George CFDC is located in Prince George, British Columbia, and provides services to this community and others including McBride, Mackenzie, and Valemount. As with other CFDCs, a volunteer Board governs it comprising in this case thirteen Directors with four standing committees, two of which have a mandate to address financial matters and the self employment benefits, and the other two being geographically based. In addition, there is an Executive Committee that is comprised of the Chair, Treasurer, a Director at large, and the Chairs of the two committees addressing finance and self-employment benefits.

The CFDC has a staff of nine full-time personnel, and three part-time employees, including the General Manager, program coordinators, administrative staff, and two part-time self-employment coordinators.

The demand for services has reportedly been increasing, reflecting in part continuing economic challenges for the region including relatively high levels of unemployment, negative impacts on local

forest operators and companies as a result of the softwood lumber trade dispute, and uncertainty resulting from continuing Aboriginal treaty negotiations. The regional economy continues to be dominated by forestry, with a number of major pulp mills, sawmills and value-added plants operating in the various communities.

North Fraser

The North Fraser CFDC is located in Mission, British Columbia, with a service area that encompasses the communities of Langley, Abbotsford, Chilliwack, Hope, Harrison and Agassiz. The Board is typically comprised of ten Directors, and is structured on the basis of representation across nine committees, in particular a Community Development Committee, Business Development Committee, and Self Employment Committees (of which there are five, one for each key community in which this program is delivered). The CFDC is the largest in the province, with almost forty staff members.

The long-term goals for the CFDC encompass the building of an effective and flexible organization structure, increased capacity of communities to achieve their own social and economic well-being, and dynamic programs that stimulate the wealth and health of communities. Business Resource Centres have been established in Mission and Chilliwack, and serve as the primary means for delivering business advisory services including workshops and information sessions. Provision to loan capital is also a service of the CFDC, including a small-business start-up loan program for income assistance recipients, and another loan program for downtown businesses. A major focus for the CFDC though, is on community economic development, and staff views themselves as catalysts for enhanced community prosperity and diversity through strategic planning, capacity building and networking, and assisting with access to funding support. A number of community development activities have also taken place, or are underway, with local Aboriginal bands. These efforts reflect the challenges that have been encountered in terms of limited financial resources, changes in government programming, the softwood lumber trade conflict, and a general downturn in local economies.

Pacific Northwest

Located in Prince Rupert British Columbia, this CFDC serves the villages and communities of the North Coast. The region is economically disadvantaged from stresses occurring in the primary resource based industries of logging and fishing.

The organization, in its current state, has only been in existence for less than five years. The strategic direction of the organization is to focus on community economic development through capacity building with local partner groups. Lending to local business has proven to be a challenge operationally. The nature of the local economy has resulted in considerable job loss, and population “out-migration”. As such, there have been very few credible small business applications. Community economic development is further hampered by access to a sustainable level of core

funding.

The CFDC is well managed though, with the manager having created a strong core staff of four employees, and the Board of Directors playing an important role in the on-going governance of the organization. The Board is chosen from a committee of the Board, and efforts are made to ensure that the composition is reflective of both the ethnic make-up of, and the geographical differences of the region.

Central Interior First Nation

The Central Interior First Nation CFDC covers a moderately sized region in the interior of British Columbia. The organization's mandate is seen as providing community economic development through developing the entrepreneurial skills of the First Nations community. This is done through the development of linkages with the community and post secondary institutions. The loan portfolio is well managed with a focus on micro-loans of below \$5,000.

The CFDC has a core staff of eight and an experienced Board of Directors. The CFDC is a well respected, and seen to be a credible change agent within the Central Interior First Nations community. The CFDC plays an active role in the local community by working closely with local bands to develop programs and initiatives that meet particular economic and entrepreneurial needs.

Entre Corp

The Entre Corp CFDC is based in Medicine Hat, Alberta, and covers the lower South Eastern portion of the province. Its service area extends from the US border to just south of Bassano and covers ten communities and three counties with a population of 85,000. The Board of Directors is comprised of thirteen community representatives from the region and follows the Carver model of governance.

The CFDC has a total of thirteen staff, with just over five being directly supported through funding from the Program (i.e., according to the 2001-2002 operating plan). Key priorities include:

- ❑ Promoting entrepreneurship in Southeast Alberta;
- ❑ Developing further alliances to strengthen economic and community development;
- ❑ Supporting Youth entrepreneurship and Entrepreneurs with Disabilities; and
- ❑ Developing an electronic presence in smaller communities in the region.

The CFDC is active in lending with an average loan size of \$25,000, and a maximum limit of \$75,000. Loan demands in fiscal 2001/20002 required an additional \$400,000 in investment funds. The CFDC has also been proactive in obtaining additional funds, becoming the first in Canada to obtain investment funding from a municipal government.

The CFDC also plays an active role in regional community development by providing support to key organizations and initiatives such as the Palliser Economic Partnership. The perceived role of the organization in economic development is to act as a partner and not necessarily as a leader. Major challenges facing the region are the lack of a regional economic development plan, and the decline in non-oil and energy industries.

Lakeland

The area served by the Lakeland CFDC, based in Bonnyville Alberta, encompasses:

- ❑ the City of Cold Lake,
- ❑ Town of Bonnyville,
- ❑ Municipal District of Bonnyville,
- ❑ Canadian Forces Base Four Wing Cold Lake,
- ❑ Village of Glendon,
- ❑ Hamlet of Ardmore,
- ❑ Hamlet of Fort Kent,
- ❑ Frog Lake First Nation,
- ❑ Cold Lake First Nations,
- ❑ Fishing Lake Metis Settlement, and
- ❑ the Long Lake Cree Nation.

The Board of Directors is comprised of 20 community representatives for these areas. WD funds almost the entire annual operating budget for the CFDC and there is a total of five staff, four of which are funded through the Program:

- | | |
|----------------------------|--------------|
| ❑ General Manager | CFP funded |
| ❑ Controller | CFP funded |
| ❑ Business Analyst | CFP funded |
| ❑ Reception/Administration | CFP funded |
| ❑ CEDO Coordinator | CEDIP funded |

The majority of the activities for the CFDC over the past few years have focused on providing business advice, counseling and the provision of business loans. The CFDC had previously been more involved in community economic development initiatives particularly around tourism, however moved away from this as a result of some negative experiences. Going forward though,

the Board is more comfortable with taking a greater role with priorities including being a leader in regionalizing economic development activities, serving as a one stop business information center for clients, maintaining and leveraging the loan portfolio, and increasing the awareness of entrepreneurship amongst the youth. The level of activity within the oil and gas sector primarily drives the regional economy. When the sector is at a cyclical low, the level of interest in entrepreneurial initiatives increases and the CFDC addresses the financing void for start-ups as well as providing business advisory services.

Lesser Slave Lake

The Lesser Slave Lake CFDC is based in Slave Lake, Alberta and services an area in the Northern part of the province with a population of approximately 26,000 people. The Board of Directors is comprised of thirteen community representatives from:

- the Town of Slave Lake,
- Town of High Prairie,
- MD of Opportunity,
- MD of Lesser Slave River,
- MD of Big Lakes,
- Metis Nation of Alberta Zone 5,
- Lesser Slave Lake Indian Region Council, and
- Northern Lakes College.

The majority of the entire annual operating budget for the CFDC is funded through WD and there are almost six staff (full-time equivalents):

- | | |
|---|---|
| <input type="checkbox"/> General Manager | CFP funded |
| <input type="checkbox"/> Business Analyst/Self Employment Coordinator | ½ CFP funded and remainder Alberta Human Resources and Employment |
| <input type="checkbox"/> Client Services Officer | CFP funded |
| <input type="checkbox"/> Loans Administrator and Bookkeeper | CFP funded |
| <input type="checkbox"/> Administrative Assistant | CFP funded |
| <input type="checkbox"/> Special Projects Coordinator (3/4 FTE) | CFP funded |

The majority of the effort of the CFDC is focused on the provision of business advisory services with a small portion of that specific to the granting of loans. Significant effort is also directed towards training and advisory services to heighten the skill set level in the communities. The

remaining effort is directed to community development projects. In prior years, the CFDC has not focused in this area, but more recently has increased its activity in community economic development. There is also a strong focus in providing services to Aboriginal clients, as this group represents about half the population in the area served.

Mackenzie

The Mackenzie CFDC is based in High Level, Alberta and serves the far northern part of the province, which is the largest geographic region. The Board of Directors consists of fifteen volunteers with broad regional representation including:

- High Level,
- Fort Vermillion,
- La Crete, Rainbow Lake,
- M.D. of Mackenzie #23,
- Paddle Prairie Metis Settlement,
- North Peace Tribal Council,
- Dene Tha' First Nation, and
- Little Red River Cree Nation.

A cross section of industry is also represented including oil and gas, forestry and logging, and agriculture along with education and health, service, and other commercial interests.

The region's population ranges from between 22,000 and 25,000 residents, including one-third Aboriginal. The latter is reflected in approximately 40% of the CFDCs activity being focused on the Aboriginal population. Although there is very strong economic activity in the region, there is also a substantial segment of the population dealing with poor economic conditions, low literacy and education levels. The CFDC focuses on business loans to clients as well as on advocacy and facilitation of broader community activities, both socially and economically. There is just over five full-time equivalents, of which 4.5 are funded through the Program.

- | | |
|---|--|
| <input type="checkbox"/> General Manager | CFP funded |
| <input type="checkbox"/> Business Analyst | CFP funded |
| <input type="checkbox"/> Community Development Co-ordinator | CFP funded |
| <input type="checkbox"/> Receptionist/Administration | CFP funded |
| <input type="checkbox"/> Accounts Supervisor | ½ FTE CFP funded |
| <input type="checkbox"/> Executive Director of Regional EDI | Joint funded by three participating partners |

Southwest Alberta

The Southwest Alberta CFDC is located in Pincher Creek, Alberta. Its Board of Directors is made up of eight representatives from the five major towns and three rural districts in the region. There are:

- ❑ two representatives from the Cardston area (one from the town and the other coming from the rural district),
- ❑ two representatives from the Pincher Creek area (one from the town and the other coming from the rural district) and
- ❑ one representative from each of the Town of Claresholm, the Town of Fort Macleod, the Municipal District of Willow Creek and Waterton Lakes National Park.

There are also four staff, three of which are supported directly by Program funds:

- | | |
|-------------------------|--|
| ❑ Manager | Funded by CFP |
| ❑ Two Business Analysts | Funded by CFP |
| ❑ One Business Analyst | Funded by Alberta Human Resources and Employment (Self Employment Program) |

The region is facing the gradual erosion of the rural population base and industry. The shrinking of Provincial delivery services has also impacted the area. Approximately two-thirds of the effort of the CFDC is directed to lending activities and advisory services to business (of which approximately 60% of this effort is associated with loans and the remainder is for stand alone advisory services). Approximately one-third of the total effort is focused on community development activities with a strong emphasis on being the catalyst and facilitating regional activities. There is reportedly significant opportunity in pursuing economic development strategies around tourism and the recreation industry.

West Yellowhead

The West Yellowhead CFDC is based in Hinton, Alberta with a region extending 60 miles west of Edmonton to the British Columbia border along Highway 16, as well as approximately 100 kilometers north and south of the highway. The Board of Directors is comprised of eight appointed members who are elected councilors (currently, two are mayors) from the participating communities of the Town of Edson, Town of Hinton, Town of Jasper, Town of Grande Cache and Yellowhead County. In addition, another specially designated non-voting member also sits on the Board.

The CFDC has a total of nine staff, of which Program funds directly support less than four individuals:

- | | |
|--|------------------------|
| <input type="checkbox"/> Executive Director/General Manager | CFP funded |
| <input type="checkbox"/> Business Analyst | ½ CFP funded and ½ SEP |
| <input type="checkbox"/> Administrative Assistant | CFP funded |
| <input type="checkbox"/> Community Development Officer | CFP funded |
| <input type="checkbox"/> Reception (1/2 FTE) | HRDC funded |
| <input type="checkbox"/> Five people working on a Socio Economic Impact Program (funded by Alberta Economic Development, Alberta Municipal Affairs and Rural Secretariat). | |

Although the oil and gas sector and tourism activity is up for the region, the contraction of the mining industry as well as the impact of the countervail duties in the forestry sector has had substantial negative impacts to the local economies. The region has further been impacted by the closure or downsizing of a number of coalmines in the area, which were significant employers for the region. It has been estimated that this has resulted in the loss of approximately 1,000 jobs. The multi year Socio Economic Impact Program has examined different opportunities for diversifying away from their resource based economies.

Key priorities for the CFDC include continuing community economic development programs that have been initiated, increasing the awareness of the West Yellowhead region, and providing business services to the community including assistance and guidance as well as the provision of business loans. It is anticipated that approximately 60% of their effort is directed to community development type initiatives with the remainder focused on the provision of these business services. Overall, the CFDC has been active in the communities, facilitating a regional approach to issues and encouraging stakeholder partnering.

Kitayan

The Kitayan CFDC operates under the guidance of a Board with ten Directors, one from each of the following member communities, which make up the service area:

- Garden Hill First Nation,
- Gods Lake Narrows First Nation,
- Gods River First Nation,
- Gods Narrows Community,
- Oxford house First Nation,
- Shamattawa First Nation,
- Red Sucker Lake First Nation,
- Wasagamack First Nation, and
- St. Theresa Point First Nation.

The CDFC perceives itself as a community support program, with established community initiatives and advising on economic and business development. The goals and objectives of the Kitayan CFDC are:

- ❑ Community planning and economic development.
- ❑ Provide investment capital to small business and the provision of services to local entrepreneurs.
- ❑ Provide in-depth research and planning.
- ❑ To assist in the improvement and effectiveness of economic development initiatives for the northeast region.

Neicom

The North East Interlake, or Neicom, CFDC is based in Riverton Manitoba, and provides business and community economic development services within the north-east Interlake region in Manitoba. The Board of Directors is comprised of twelve representatives from its region based on appointments made by municipal and First Nation governing bodies. The CFDC has a total of five staff that are directly supported through core funding from WD including the Chief Operating Officer and Business Development Manager.

The mission of the CFDC is to “engage in Community Economic Development within a regional context in order to increase the material wealth of individuals and organizations located in its prescribed geographical operating area.” This mission is to be accomplished by providing business and regional economic development support.

North Central

The North Central Development CFDC is based in Thompson Manitoba, and covers a region of approximately 133,000 square kilometers within the northern portion of the province. This service area currently encompasses seventeen communities. The desire for community involvement is a primary objective of the Board of Directors. As such, local governments in each of the seventeen communities have been approached and encouraged to name representatives to the sit on the Board.

The structure of CFDC includes:

- ❑ the Board of Directors,
- ❑ an Executive Committee (President, Vice-President, Secretary, and Treasurer),
- ❑ Investment Review Committee,
- ❑ Community Development Committee,

- ❑ Youth/Disabled Committee, and
- ❑ other advisory committees as required on a periodic basis.

According to the operating plans, WD core funding only accounts for about 30% of the CFDC's total operating budget (i.e., \$800,000).

Wheat Belt

The Wheat Belt CFDC has been in operation since 1987 and has its head office in Brandon, Manitoba. The service area encompasses the south-western region of Manitoba which includes 41 municipalities, 55 towns and villages, and the City of Brandon. The region covers approximately 12,000 square miles and has a population of approximately 110,000 people.

The Board of Directors is comprised of 14 regional representatives and the CFDC has a total of eight staff including the Executive Director. Its core purpose is defined as assisting rural communities with the development of strategies for dealing with a changing economic environment. Key priorities include continuing the success of its loan portfolio and to actively engage the communities in pragmatic economic development opportunities.

Sagehill

The Sagehill CFDC is based in Bruno Saskatchewan and covers a primarily agricultural region to the east of Saskatoon, Saskatchewan. The Board of Directors is comprised of seven representatives and there is a total of four Program supported staff including the Chief Executive Officer. The Board members are nominated and elected from the group of individuals that hold a membership. Similar to many Chambers of Commerce or Credit Unions, for a small annual membership fee, members obtain benefits such as priority service and access to the CFDC's *Members' First* program.

Key priorities include increasing the capacity in management capabilities and promoting entrepreneurship in the region through a variety of training and educational programs, providing loan funding, and facilitating community economic development initiatives. In addition, the CFDC has organized the Youth Business Excellence Program as well as a business planning competition for students in grades six through to twelve.

Prince Albert

The Prince Albert and District CFDC commenced operations in 1997, and belongs to the Prince Albert Alliance, a group of organizations committed to the promotion of economic development. Members include the City of Prince Albert, Prince Albert Chamber of Commerce, the River Bank Development Corporation, Prince Albert Region Aboriginal Business Association, Prince Albert Regional Economic Development Authority, and the Government of Saskatchewan Economic and Co-operative Development.

The mandate of the CFDC is to function as a "small business start-up and assistance centre". This is achieved by:

- ❑ Providing business counseling, business plan assistance, and consulting services (including small business support services and access to the Internet).
- ❑ Administering loan funds and providing access to capital to small business.
- ❑ Providing small business education and training services.
- ❑ Providing small business (and program) information services, including a business resource library.
- ❑ Being active in community economic development activities.

Visions North

The Visions North CFDC, based in La Ronge Saskatchewan, covers the top Eastern one-third of Saskatchewan in addition to the entire far northern region of the province. Its service area is large, with difficult access to remote areas. The Board of Directors is comprised of fourteen community representatives. Approximately 80% its activity is with Aboriginal communities including the Metis Nation #1 and #2 and the six First Nations of the Visions North Region.

The CFDC has a total of seven staff, with Program funds supporting over five personnel:

- | | |
|---|--|
| ❑ General Manager | CFP funded |
| ❑ Executive Administrator | CFP funded |
| ❑ Asst Executive Administrator | CFP funded |
| ❑ Senior Loans Officer | CFP funded |
| ❑ Financial Manager | CFP funded |
| ❑ CED Officer and SEB coordinator | ½ CFP funded and ½ provincially funded |
| ❑ Canadian Technology Network Facilitator | NRC funded |

Key priorities include enhancing management capabilities and promoting entrepreneurship in the region through a variety of training and educational programs, as well as providing loan funding, and facilitating community economic development initiatives. A significant challenge in the region is addressing and enhancing the level of business understanding and skills development. Through continued support during the loan application process and after care support, training and educational programs, and broader community initiatives, the CFDC focuses on meeting these needs.

Appendix C

Corporate and Regional Interview Respondents

Western Economic Diversification Canada

- ❑ Jim Fleury, Director General, Program Development and Strategic Services
- ❑ Jim Saunderson, Director, Programs
- ❑ Stephen Lamoureux, Manager, Service Partnerships Secretariat
- ❑ Pat Perry - Client Services Director, SK
- ❑ Derryl Millar - Client Services Director, MB
- ❑ Frank Eichgruen – Client Services Director, BC
- ❑ Dale Johnston - MB Program Manager
- ❑ Rob Greer - SK Program Manager
- ❑ Garth Stiller - BC Program Manager
- ❑ Barry Lake - AB Program Manager,
- ❑ Brian Williams, BC Manager, Portfolio Management
- ❑ Ray Bentley, SK Manager, Program Delivery
- ❑ Ron Sellen, MB Manager, Capital Services Secretariat

CFDC Associations

- ❑ George Knight – Chairman, BC CFDC Association
- ❑ Bob Hall – Chairman, AB CFDC Association
- ❑ Bob Annis - Chairman, MB CFDC Association
- ❑ Bill Matlock - Chairman, SK CFDC Association

Regional Partners and Stakeholders

- ❑ Liz Gilliland – ADM, Deputy Minister’s Office, Ministry of Management Services, BC
- ❑ Brenda Wallace – Executive Director, Saskatchewan Economic Developers Association
- ❑ Anna Fontaine – Manager, Indian and Northern Affairs Canada, Manitoba
- ❑ Shannon Campbell – Senior Industrial Consultant, Human Resources Development Canada
- ❑ Tammy Schultz -Acting Director, Communications Canada
- ❑ Roger Cole - General Manager, Business Link
- ❑ Bruce MacDonald - Manager, EDA Alberta (An Association of Economic Developers)
- ❑ Derek Pachal - Senior Manager, United Way of Winnipeg
- ❑ Ron Trepanier – Canada Business Services Society (former Managing Director of the BCCFDA)
- ❑ Darrel Pack – Senior Policy Advisor for AFC Rural Secretariat, Agriculture and Agri-Food Canada
- ❑ Van Isman – Executive Director, Saskatchewan Economic and Cooperative Development

Appendix D

Evaluation Framework

Appendix D: Evaluation Framework

Evaluation Criteria	Questions
1. The strategic directions for the Program are consistent with higher-level priorities of WD and the Federal government as well as with CFDC goals and objectives.	<input type="checkbox"/> Are the strategic goals and objectives for the Program (community capacity building, business development services, and capital investment) consistent with departmental and government-wide priorities? <input type="checkbox"/> Are the strategic goals, objectives and priorities for the CFDCs consistent with those of the Program, and as reflected in established agreements (operations plans)?
2. There are defined, clear and adequately communicated goals, objectives and service (investment) priorities for the Program and, in turn, CFDCs that are reflective of desired economic and social outcomes.	<input type="checkbox"/> Are goals, objectives and priorities clearly stated and commonly understood as it relates to the Program? <input type="checkbox"/> Are goals, objectives and priorities clearly stated within the agreements and operations plans for the CFDCs? <input type="checkbox"/> Are there any specific “service gaps” and needs at the community level that are not reflected in these agreements and plans, but that represent a strategic priority or service opportunity for the CFDCs?
3. The allocation of funding towards, and the use of, a community-based non-profit delivery model is appropriate and logically supports the achievement of the Program’s strategic intent.	<input type="checkbox"/> Is the allocation of Program funding and the current network of CFDCs considered appropriate in terms of: <ul style="list-style-type: none"> • Maintaining a needed presence at a regional and community level, particularly as it relates to those CFDC offices located close to urban centers? • Supporting the delivery of Program priorities and services, as stipulated in agreements and plans? <input type="checkbox"/> Do CFDCs have an appropriate: <ul style="list-style-type: none"> • governance structure that is representative of the community and provides for needed competencies and commitment, and • management capacity? <input type="checkbox"/> What is the role, and perceived value of, the provincial and “pan-west” CFDC associations?
4. Information and reporting systems provide management, staff, partners and other relevant parties with needed facts and data to meet their responsibilities and to effectively gauge Program performance.	<input type="checkbox"/> Is there an appropriate balance and definition of performance measures being applied at the “project”, CFDC and Program level? <input type="checkbox"/> Has a validation process (e.g., periodic site visits, etc.) been established to provide quality assurance over reported metrics? <input type="checkbox"/> How is CFDC and Program management applying information on performance?
5. The product and service “outputs” supported by the Program, and as provided by the CFDCs, are consistent with client expectations; accessible; and sufficient to support intended outcomes.	<input type="checkbox"/> What strategic community planning, business service or capital services and/or products (funding) were provided through the sampled projects? <input type="checkbox"/> Did these services and/or products (funding) meet identified needs and expectations of management, staff, delivery partners and clients?
6. Positive impacts at a community and business level can be demonstrated in keeping with established Program goals, objectives, targets and expectations.	<input type="checkbox"/> Have stated goals, objectives and milestones for sampled projects and, in turn, for the CFDCs (as reflected in operations plans) and the Program (as reflected in agreements) been met? <input type="checkbox"/> Were there any unanticipated factors that affected the effectiveness of the sampled projects? <input type="checkbox"/> Have there been any unanticipated impacts for the sampled projects, positive or negative? <input type="checkbox"/> What have the selected CFDCs and, in turn, the Program achieved in terms of impacts on local communities and businesses?