

Management Response to Conclusions and Recommended Areas for Follow-up

Recommendation #1: The EODF should be renewed.

Management Response: Agreed.

If the Government agrees to renew EODF, FedNor will ensure that it continues to be delivered as an effective economic stimulus for the rural areas of Eastern Ontario.

Departmental Audit and Evaluation Committee (DAEC) Response: Recommendation not supported.

Recommendation No. 1 was not supported by DAEC members since evaluation findings were deemed to be insufficient to support this recommendation.

Recommendation #2: The five program priorities should continue to form the basis of EODF programming. These encompass current priority needs and are broad enough to address evolving economic development needs.

Management Response: Agreed.

The five program priorities should be maintained and any adjustments should be considered in the context of change in the economic development needs of the region.

Recommendation #3: The EODF should continue to use the existing delivery model which involves FedNor contribution agreements with each of the 15 CFDCs who, in turn, provide funding to secondary recipients.

Management Response: Agreed.

However, consideration should be made to also allow direct contributions to other economic development organizations in addition to CFDCs, provided that there is support from Eastern Ontario CFDCs, although this might initially encounter resistance from the CFDCs, over time the flexibility to extend eligibility to a broader range of recipients could result in efficiencies and a broader program impact.

Recommendation #4: The CFDCs should continue to use a multitude of promotional tools to ensure that their communities are appropriately aware of the EODF. However, promotional strategies should consider the limited availability of EODF funds.

Management Response: Agreed.

Much has been learned from the initial launch of EODF with respect to the community response. With proper lead time, the CFDCs could be more strategic in the marketing and promotion of EODF in their local and regional communities and as a result increase the effectiveness of the limited EODF funds.

Recommendation #5: While the promotional efforts of the CFDCs have been fruitful, a process should be implemented to ensure that promotional materials are shared and to thus avoid duplication of efforts and build on best practices.

Management Response: Agreed.

Mechanisms, such as a secured website, are in place to share best practices. The CFDCs also meet as a group on a regular basis offering an opportunity to share approaches. These mechanisms will be used to share promotional material and communication strategies.

Recommendation #6: The current project selection process for small local initiatives does not need to change. However, since CFDCs have implemented different processes for the review and selection of projects, the different processes should be shared among CFDCs to help in the sharing of best practices and lessons learned.

Management Response: Agreed.

The same mechanism to be used in response to Recommendation #5 and will also be used to share best practices in project selection.

Recommendation #7: The project selection process for regional projects needs to be clearly defined and agreed upon by FedNor and the CFDCs. This should include a clear definition of the scope of regional projects. It could also include a series of outcomes that are regional in nature. The improved project selection process should, however, continue to involve consultations with other regional economic development stakeholders with respect to needs for regional EODF projects. In refining the project selection process, FedNor and the CFDCs will need to clarify the following:

- definition and scope of regional projects
- how regional projects should be approved
- how project leads should be identified (one CFDC, several CFDCs, others)
- how regional projects should be monitored

In refining the project selection process, care should be taken to ensure that the factors that have made this initiative successful (such as its grassroots aspect) are preserved or built upon, and that other recommendations are taken into account.

Management Response: Agreed.

The process used to select regional projects can be improved. There needs to be a better understanding of the definition of regional projects and their expected outcomes. A selection process, in which CFDCs vote after a brief presentation, needs a higher level of due diligence. The role in regional project selection for the newly formed CFDC/CAO regional committee should be considered. Collectively the 15 CFDCs have agreed that the selection process can be improved and there is a willingness to address the problem with FedNor's guidance.

Recommendation #8: The current project selection criteria should not change.

Management Response: Agreed.

The selection criteria are still appropriate. However, much can be gained by encouraging CFDCs to share selection processes (see Recommendation #5), although, there will continue to be unique features to each of the 15 organizations. CFDCs will be encouraged to sustain their current high level of due diligence.

Recommendation #9: Notwithstanding other recommendations, FedNor should continue to provide the same level and type of support to CFDCs and to ensure that adequate resources are allocated to provide this support.

Management Response: Agreed.

If EODF is renewed at the current level, FedNor will need to enhance and/or refocus its administrative support, particularly if proponents, other than CFDCs become eligible recipients. As the program matures, the level of support may change, perhaps with less FedNor involvement on local projects, and a higher level of engagement regarding regional projects.

Recommendation #10: FedNor should continue to improve its performance measurement system with respect to the EODF. This should include updating the RMAF in consultation with the 15 CFDCs to ensure that they are in agreement with the commitments outlined in this document. It should also include revising the reporting structure to ensure that it is consistent with the program's structure as well as the RMAF indicators. The revised reporting requirements should include clear definitions and instructions.

Management Response: Agreed.

FedNor, as a result of this formative evaluation, is consulting with CFDCs and a process is already underway to review the reporting tools currently in use. In this regard, the RMAF and the "Project Final Report" will be revised in order to better align with the EODF guidelines. This performance measurement system will also be reviewed to ensure that data for all RMAF indicators is being collected.

Recommendation #11: Once the performance reporting requirements are finalized, FedNor should give due consideration to providing CFDCs with more effective tools for reporting. This could include the grants module of The Exceptional Assistant (TEA).

Management Response: Agreed.

If EODF is renewed, FedNor will undertake a cost/benefit analysis of the grant module in The Exceptional Assistant (TEA) software to determine whether or not it would be an appropriate tool to assist CFDCs in reporting EODF outcomes. A quote for the site licences, installation and training pertaining to this module has been provided by CommonGoals, the service provider, to the CFDCs .

Recommendation #12: FedNor and the CFDCs should monitor the appropriateness of the operational budgets for the EODF. It is important to ensure that, with the continuation of the program, the burden on FedNor and CFDC staff is not unreasonable. It is also important to ensure that the program requirements do not conflict with other FedNor and CFDC staff priorities.

Management Response: Agreed.

FedNor staff, CF staff and volunteer directors have extended their resources to accommodate the additional demands associated with the delivery of EODF. If the program is renewed, resource levels will be reviewed to ensure all parties can sustain the higher level of activity. To date, conflicts between program requirements and other priorities have, for the most part, been managed.

Recommendation #13: CFDCs should continue to require that, where possible, additional sources of funding be sought by the secondary recipients.

Management Response: Agreed.

There was substantial leverage of additional funding in the initial round of EODF, particularly given the very short lead time provided prior to implementation. In future funding cycles, CFDCs will be better prepared to negotiate with secondary recipients to include financial involvement of partners.

Recommendation #14: FedNor should consider the feasibility of putting in place a process to have only one contribution agreement with each of the 15 CFDCs. This agreement would include all elements of the program for local initiatives (i.e., excluding regional projects and community capacity building, but including business planning, access to capital, skills development, retention and attraction of youth, and technological enhancements) with guidelines as to the minimum and maximum proportion of funds to be allocated to each of these elements. This would provide the flexibility required at the local level while ensuring that all priorities are addressed.

Management Response: Disagree.

In some respects, one agreement for the core program elements (not including community capacity building and regional projects) may offer administrative efficiencies for FedNor and the CFDCs. On the other hand, possible limitations on reporting outcomes for individual elements within a “master” agreement will need to be considered. Another major consideration is the delegation of authority within Industry Canada for various levels of funding. Larger agreements requiring approval at higher levels may result in an increased administrative burden and longer time frames for approval.

Recommendation #15: FedNor should consider implementing a risk-based approach for its monitoring and reporting strategy. This should be integrated in the considerations for Recommendation 10.

Management Response: Agreed.

Much has been learned from the initial round of EODF. Program management and staff will continue to determine the appropriate level of reporting based on their assessment of risk. Wherever possible, refinements to reporting will be made to create efficiencies. This is particularly true of smaller projects that are carried out by secondary recipients.