Innovation, Science and Economic Development Canada

Innovation, Sciences et Développement économique Canada

HORIZONTAL EVALUATION OF THE ECONOMIC DEVELOPMENT INITIATIVE

FINAL REPORT

AUDIT AND EVALUATION BRANCH

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LIST OF ACRONYMS

ACOA	Atlantic Canada Opportunities Agency
AEB	Audit and Evaluation Branch
CanNor	Canadian Northern Economic Development Agency
CED	Canada Economic Development for Quebec Regions
CEDEC	Community Economic Development and Employability Corporation
EDI	Economic Development Initiative
FedDev Ontario	Federal Economic Development Agency for Southern Ontario
FedNor	Federal Economic Development Initiative for Northern Ontario
FY	Fiscal Year
FTE	Full-time equivalent
ISED	Innovation, Science and Economic Development Canada
MoU	Memorandum of Understanding
OLMC	Official Language Minority Community
RDA	Regional Development Agency
RDÉE	Réseau de développement économique et d'employabilité
SMEs	Small and medium-sized enterprises
WD	Western Economic Diversification Canada

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EXECUTIVE SUMMARY

PROGRAM OVERVIEW

The Economic Development Initiative (EDI) is one of 28 initiatives within the Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities (Roadmap). The Roadmap is the Government of Canada's official languages strategy with an investment of $1.1 billion over five years involving 14 federal departments and agencies.

The EDI allocation of $30.5 million over five years is intended to support economic development of Canada's Official Language Minority Communities (OLMCs) and promote the economic benefits of Canada's linguistic duality. To achieve these objectives, the EDI provides financial support to economic development projects that foster economic diversification, business development, innovation, partnerships and increased support for small- and medium-sized enterprises in OLMCs.

The EDI is delivered by Innovation, Science and Economic Development Canada (ISED) (specifically the Official Languages Unit and the Federal Economic Development Initiative for Northern Ontario (FedNor)) and the five regional development agencies (RDAs) including Atlantic Canada Opportunities Agency; Canada Economic Development for Quebec Regions; Canadian Northern Economic Development Agency; Federal Economic Development Agency for Southern Ontario; and Western Economic Diversification Canada.

EVALUATION PURPOSE AND METHODOLOGY

The purpose of this evaluation was to assess the relevance and performance of the EDI. The evaluation covered the period from April 1, 2013 to June 30, 2016. The methodology for the evaluation was calibrated to take into consideration the materiality of the initiative as well as its proportion of the overall Roadmap budget. Nonetheless, the evaluation findings are based on the analysis of multiple lines of evidence including a review of documents and literature, a financial and administrative data review, and interviews with EDI partners.

FINDINGS

Relevance

There is a continued need for the EDI to mitigate challenges faced by OLMCs by providing communities with opportunities for economic development and promoting linguistic duality. The objectives of the EDI are aligned with the federal government's priorities to promote the use of Canada's official languages and to support economic development of communities. The EDI is consistent with the federal government's legislative responsibilities related to official languages and regional economic development. The initiative complements other government programs designed to promote economic development.

Performance

The EDI has been successful in achieving its immediate expected results. Specifically, through research and consultation, the initiative contributes to a better understanding of the economic issues and challenges affecting OLMCs. Further, the initiative has funded 110 projects enabling OLMCs to develop capacity, expertise and partnerships.

Although it is too early in the initiative lifecycle to assess the full extent of the achievement of EDI intermediate outcomes, there are examples of EDI projects that have contributed to entrepreneurs creating, maintaining and expanding enterprises and of projects that have supported communities to implement economic development initiatives.

Overall, evidence shows that the EDI is being delivered efficiently by FedNor and the RDAs using existing delivery mechanisms and staff that have experience managing similar regional programs. However, while regional-level performance indicators reflect the local environment of each partner, it hinders the ability to measure efficiency at the national level.

RECOMMENDATION

Based on the findings of this evaluation, it is recommended that in addition to existing regional-specific performance indicators, EDI partners:

1. Establish national standardized performance and efficiency indicators that are consistently defined and collected amongst partners to enhance performance monitoring and reporting. In this context, EDI partners are encouraged to re-examine the logic model to ensure that the various levels of outcomes remain relevant with the standardized indicators while seeking to minimize the reporting burden on partners.

1.0 INTRODUCTION

This report presents the results of an evaluation of the Economic Development Initiative (EDI). The purpose of the evaluation was to assess the relevance and performance of the EDI. The report is organized in four sections.

- Section 1.0 provides the context and profile of the EDI;
- Section 2.0 presents the evaluation methodology and the limitations to the evaluation;
- Section 3.0 presents the findings pertaining to the evaluation issues of relevance and performance; and
- Section 4.0 summarizes the evaluation conclusions and provides recommendations.

1.1 INITIATIVE CONTEXT

Official Language Minority Communities (OLMCs) refer to communities of French-speaking Canadians across Canada and English-speaking Canadians in Quebec.[1] Nearly 1 million Francophones live outside of Quebec while a slightly smaller number of Anglophones live within Quebec.[2] Data from the 2011 Census shows that compared to the general population of Canada, OLMCs face challenges in education, employment and income, mostly in rural and remote areas across the country.[3] As well, minority Francophone communities are generally quite dispersed, although there is some concentration in specific regions such as Northern New Brunswick and Eastern Ontario. In comparison, minority Anglophone communities in Quebec are highly concentrated in the Montreal area, with significant concentrations in the Eastern Townships and smaller groups in Quebec City, the Outaouais and the Gaspé Peninsula.[4]

The Government of Canada has a role to play to support the vitality of OLMCs and to foster the full recognition and use of both English and French in Canadian society. The *Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities* (Roadmap) is the Government of Canada's official languages strategy with an investment of $1.1 billion over five years for 28 initiatives involving 14 federal departments and agencies. The Roadmap is a continuation of the previous Roadmap (2008-2013) and reaffirms the Government's commitment to promote official languages and enhance the vitality of OLMCs in three priority areas: education, immigration, and communities. These priority areas are described as Pillars of the Roadmap. The broad intent of each pillar is:

- Education Pillar: Invest in opportunities for Canadians to benefit from education and training in their first official language, have access to opportunities for learning the other official language of the country, and have access to technological tools for language learning and translation.

[1] Office of the Chief Audit and Evaluation Executive Evaluation Services Directorate. (2013). *Horizontal Evaluation of the Roadmap for Canada's Linguistic Duality 2008-2013: Acting for the Future*, p. 2.
[2] Canadian Institute for Research on Public Policy and Public Administration. (2008). *Socioeconomic Analysis of Official Languages Communities Based on 2001 Census Data at the Dissemination Area (DA) Scale*.
[3] Statistics Canada. (2014). *Portrait of Official Language Minorities in Canada*.
[4] Standing Committee on Official Languages. (2007). *Communities Speak out: Hear our Voice, The Vitality of Official Language Minority Communities*, pg. 8.

- Immigration Pillar: Provide training and support to newcomers to help acquire language proficiency in one of the two official languages and contribute to the social, economic and cultural development needs of Canada.
- Communities Pillar: Support efforts to preserve and strengthen the vitality of OLMCs to enable them to contribute fully to Canadian society, and to Canada's history, national identity, development and prosperity.

The EDI is a component of the Communities Pillar of the Roadmap and seeks to facilitate sustainable growth of OLMCs and promote the economic benefits of Canada's linguistic duality.

1.2 INITIATIVE DESCRIPTION

The EDI supports incremental business and economic development projects that foster the development of expertise in economic diversification, business development, innovation, partnerships and increased support for small and medium-sized enterprises (SMEs). Among others, the EDI benefits entrepreneurs and youth of OLMCs.

The EDI is delivered by ISED, specifically the Official Languages Unit and the Federal Economic Development Initiative for Northern Ontario (FedNor) and the five RDAs, namely:

- Atlantic Canada Opportunities Agency (ACOA);
- Canada Economic Development for Quebec Regions (CED);
- Canadian Northern Economic Development Agency (CanNor);
- Federal Economic Development Agency for Southern Ontario (FedDev Ontario); and
- Western Economic Diversification Canada (WD).

The EDI is designed to address the regional needs and priorities for OLMCs. FedNor and the RDAs use their existing programs to deliver the EDI in alignment with their respective economic development mandates.

1.3 INITIATIVE RESOURCES

The EDI is a contributions program with a total budget of $30.5 million over five years. The funding is distributed between ISED's Official Languages Unit, FedNor and the RDAs (Table 1). The funding for FedNor and the RDAs is based on their delivery capacity and on the OLMC population distribution.

Table 1: Allocation of EDI Funds ($) by Partner

EDI PARTNER	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	TOTAL
ACOA	330,000	1,470,000	1,470,000	1,470,000	1,460,000	**6,200,000**
CanNor	80,000	80,000	80,000	80,000	80,000	**400,000**
CED	440,000	2,660,000	2,360,000	2,370,000	2,370,000	**10,200,000**
FedDev Ontario	120,000	1,082,500	1,082,500	1,082,500	1,082,500	**4,450,000**
ISED (including FedNor)	235,000	1,505,000	1,445,000	1,395,000	1,470,000	**6,050,000**[5]
WD	240,000	740,000	740,000	740,000	740,000	**3,200,000**
TOTAL	**1,445,000**	**7,537,500**	**7,177,500**	**7,137,500**	**7,202,500**	**30,500,000**

Source: EDI financial data

The EDI funding represents approximately 9.6% of allocated funds dedicated to the Communities Pillar of the Roadmap and approximately 2.7% of total allocated funds for the Roadmap. As of June 30, 2016, $831,123 had been spent on OLMC-economic development research and $18,396,514 had been committed to projects.

1.4 INITIATIVE GOVERNANCE

ISED's Official Languages Unit is responsible for overall EDI coordination and for facilitating inter-agency discussions around priorities and planning. This unit is also responsible for conducting economic research and policy analysis to better understand the economic needs of OLMCs.

FedNor and the RDAs are responsible for assessing and approving project proposals in accordance with their organizations' terms and conditions for the initiative and for monitoring approved EDI projects. In addition, a committee of the EDI partners meets regularly to discuss all aspects of delivering the initiative including research needs, stakeholder consultations and performance of the initiative.

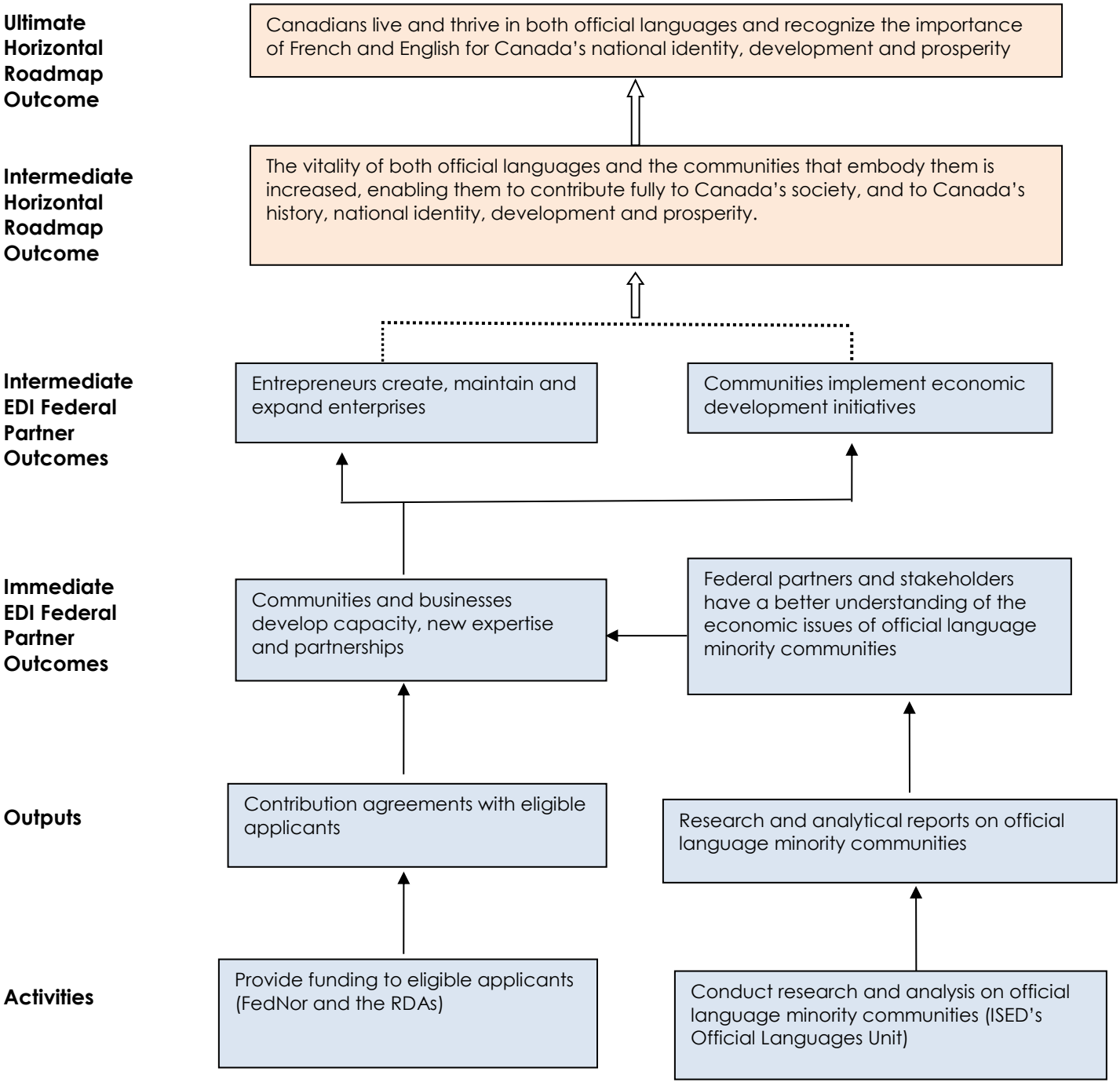
With respect to performance monitoring, EDI partners have a performance measurement strategy for the initiative and prepare annual performance reports for Heritage Canada to fulfill reporting requirements of the Roadmap.

1.5 LOGIC MODEL

The following logic model articulates the activities, outputs and outcomes of the EDI and how they support the broader intermediate and ultimate outcomes of the Roadmap. The logic model was developed in 2013 and revalidated by the EDI partners in 2015.

[5] Of the $6.05 million over five years, $1.6 million is for the Official Languages Unit and $4.4 million is for FedNor to deliver the EDI.

Figure 1: Logic Model of the EDI



2.0 METHODOLOGY

2.1 EVALUATION SCOPE AND OBJECTIVES

An evaluation of the EDI was required to comply with the *Financial Administration Act*. The purpose of the evaluation was to address the core issues of relevance and performance. The evaluation covered the period of April 1, 2013 to June 30, 2016.

2.2 EVALUATION APPROACH

Concurrent to the evaluation of the EDI, Heritage Canada conducted a horizontal evaluation of the Roadmap. The evaluation assessed the relevance and performance (achievement of the immediate, intermediate and ultimate outcomes) of the Roadmap including an analysis of the 28 initiatives, roles and responsibilities of partners and the impact of initiatives on various target audiences. For this reason, the scope and approach of the evaluation of the EDI was calibrated to consider that Heritage Canada has completed an evaluation of the Roadmap in FY 2016-2017 and that the proportion of EDI funding to total Roadmap funding is less than 3%.

The evaluation of the EDI was managed and conducted by the Audit and Evaluation Branch (AEB) of ISED in consultation with the EDI partners. Evaluation units of each partner organization participated in data collection methods, as appropriate.

2.3 EVALUATION QUESTIONS

The evaluation addressed the following questions on relevance and performance:

Relevance

1. To what extent is there a continued need for the EDI?
2. To what extent do the objectives of the EDI align with priorities of the federal government and strategic outcomes of the EDI partners?
3. To what extent does the EDI align with the roles and responsibilities of the federal government to support OLMCs?

Performance

4. To what extent have the expected outcomes of the EDI been achieved?
5. To what extent does the delivery of the EDI demonstrate efficiency?

2.4 DATA COLLECTION METHODS

The multiple lines of evidence used to address the evaluation questions are described below.

Document Review

This review was conducted to gain an understanding of the EDI's alignment with government priorities and its achievement of expected outcomes. Documents reviewed included foundational documents pertaining to the EDI, legislation (such as the 1985 *Official Languages Act*), federal budgets and Speeches from the Throne.

Literature Review

The review of literature provided insight into the role of the EDI in supporting OLMCs. Materials reviewed were primarily from publicly available sources and pertained to research and statistics on OLMCs and promoting economic development.

Administrative and Financial Data Review

Data collected by the EDI partners were used to assess the achievement of expected outcomes and the delivery of the initiative. Examples of data reviewed included project summaries (results, spending and leveraging data), research papers completed by the EDI partners and reports on consultations conducted with OLMCs.

Interviews with EDI Partners

AEB conducted a total of 7 interviews with 11 individuals from ISED (including FedNor) and the RDAs. The interviews were conducted with a range of directors, managers and senior officers responsible for delivering the initiative. This information was used as a line of evidence to assess the continued need and performance of the EDI.

2.5 LIMITATIONS

The following are limitations of the evaluation:

Comparability of performance data

The decentralized approach to delivering the EDI makes it difficult to report on performance of the initiative as a whole. Definitions of key terms in the performance measurement strategy vary to reflect the regional priorities and environment and some performance indicators are collected differently by partners. Where necessary, evidence is provided specific to individual partners as it was not possible to compare results at a national level.

Assessment of the achievement of the EDI's intermediate outcomes

EDI projects are at various stages of maturity and vary in terms of size and scope. As well, the evaluation of the EDI was conducted midway through the five-year initiative to inform decisions to extend the Roadmap beyond 2018. As a result, there was limited performance data available to demonstrate the extent to which the EDI intermediate outcomes are being achieved. However, the evaluation team was able to highlight some examples of projects and their contribution to the achievement of the intermediate outcomes.

3.0 FINDINGS

3.1 RELEVANCE

3.1.1 To what extent is there a continued need for the EDI?

Key Finding: There is a continued need for the EDI to mitigate challenges faced by OLMCs by providing communities with opportunities for economic development and promoting linguistic duality.

To address the economic development priorities and needs of minority Francophone and Anglophone communities, the EDI partners fund projects in the areas of economic diversification, business development and innovation with recipients including SMEs, community organizations and municipalities of OLMCs. The EDI partners also conduct research and consultation with OLMCs and stakeholders to continuously ensure that the initiative reflects the needs of these communities.

An analysis of OLMCs by Réseau de développement économique et d'employabilité (RDÉE) Canada in collaboration with Community Economic Development and Employability Corporation (CEDEC)[6] identified negative factors that may impact the vitality and sustainability of OLMCs including:[7]

- Disparity between the needs of businesses and the supply of workers;
- Older and younger workers face significant barriers to enter the work force;
- French-speaking business owners are aging and many do not have succession plans;
- Several communities showing signs of weakness relative to the labour market; and
- High out-migration from communities, particularly in French-speaking OLMCs.

Interviewees added that among the challenges that face OLMCs, the exodus of youth and aging population are two key challenges within the context of a declining OLMC population. In 2011, OLMCs accounted for 6% of Canada's total population, compared to 9% in 1971.[8]

As an incremental funding initiative, the EDI aims to mitigate the combined effect of these challenges on the economic development of OLMCs. Some examples of activities funded through the EDI include:

- Activities that feature and enhance OLMC heritage and cultural sectors such as regional events and festivals;
- Training and skills development for entrepreneurs to enable successful enterprises;

[6] RDÉE Canada and CEDEC are two not-for-profit organizations that focus on the employability, vitality and economic development of OLMCs.
[7] Réseau de développement économique et d'employabilité & Community Economic Development and Employability Corporation. (2015). *Canadian Plan for Economic Development of Official Language Minority Communities*.
[8] Réseau de développement économique et d'employabilité & Community Economic Development and Employability Corporation. (2015). *Plan and the tools for the economic development of official language minority communities (OLMCs)*.

- Youth training and internships to provide youth with opportunities within communities which may mitigate the out-migration of youth from OLMCs;
- Conferences and forums that encourage networking and collaboration between SMEs and communities to help address isolation of rural communities and lack of networks;
- Activities that support planning and development such as feasibility studies, business plans and market research; and
- Translation of websites, products or tools to enable SMEs to access new markets through the use of both official languages.

EDI activities focus on economic development and the promotion of both official languages which fosters linguistic duality and enables OLMC vitality. Canada's linguistic duality is recognized as a key competitive advantage for both the country and local communities. Linguistic duality provides added value, new trade opportunities, and better access to diverse markets.[9] The EDI has been referred to as "a competitive asset that can open doors to new markets for bilingual entrepreneurs and businesses".[10]

The socio-economic realities for many OLMCs across the nation suggest a need for the EDI. Interviewees underscored the need for the EDI and explained that EDI-funding projects respond directly to the needs of OLMCs. Research, consultations and the range of projects conducted with EDI funding enable the initiative to strengthen OLMCs by identifying and addressing ongoing needs while supporting their competitiveness. Some interviewees believe that the capacity to conduct projects would have been impacted and in some cases, not conducted at all, without support from the EDI.

3.1.2 To what extent do the objectives of the EDI align with priorities of the federal government and strategic outcomes of the EDI partners?

Key finding: The objectives of the EDI are aligned with the federal government's priorities to promote the use of Canada's official languages and to support economic development of communities.

Linguistic duality has been a longstanding priority of the Government of Canada. *The Roadmap for Canada's Official Languages 2013-2018* is the second five-year action plan that the federal government has launched emphasizing the importance of Canada's two official languages. Announced in the 2013 Economic Action Plan, the renewal of the Roadmap, including EDI, was described as an ongoing commitment to enhancing the vitality of OLMCs in Canada. The 2015 Speech from the Throne reinforced the priority to "encourage and promote the use of Canada's official languages".[11]

A key commitment identified in the 2015 mandate letter for the Minister of Innovation, Science and Economic Development is to develop an Innovation Agenda.[12] In developing this agenda,

[9] Government of Canada. (2013). *Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities*.
[10] Standing Committee on Official Languages. (2015). *The Economic Situation of Official Language Minority Communities: Building Sustainable and Growing Economies*, p. 3.
[11] Government of Canada (2015). *Speech from the Throne*.
[12] Office of the Prime Minister. (2015). *Minister of Innovation, Science and Economic Development Mandate Letter.*

the Minister is to "work with Regional Development Agencies to make strategic investments that build on competitive regional advantages." The letter further notes that, "For those communities that have relied heavily on one sector in the past for economic opportunities, investments that support transition and diversification may be appropriate. Communities that have relied on traditional manufacturing are likely to require specific strategies to support economic growth." The EDI supports these objectives given that it funds projects that foster economic diversification.

The EDI supports the strategic outcomes of ISED and the RDAs. The 2016-2017 Reports on Plans and Priorities of ISED and the RDAs identify the economic development of communities as a priority. For example, under the Community Economic Development Program of FedDev Ontario, which includes EDI, FedDev Ontario has committed to making strategic investments that help to maintain the economic vitality of OLMCs and advance regional diversification efforts to promote economic development in Southern Ontario.[13]

By funding eligible projects and conducting research on OLMCs, the objectives of the EDI advance the commitment of the Government to promote linguistic duality and encourage economic growth.

3.1.3 To what extent does the EDI align with the role and responsibilities of the federal government to support OLMCs?

Key finding: The EDI is consistent with the federal government's legislative responsibilities related to official languages and regional economic development. The EDI complements other government programs designed to promote regional economic development.

The federal government has a long-standing role in both regional economic development and linguistic duality.

The Government of Canada has official language responsibilities stemming from the implementation of language rights conferred by the *Constitution Act*, 1867, Canadian Charter of Rights and Freedoms, and the *Official Languages Act*. Section 41 of the *Official Languages Act* requires that federal institutions take positive measures to support the vitality of OLMCs and to foster the full recognition and use of both English and French in Canadian society.

Further, the federal government is committed to promoting equal opportunities for the well-being of Canadians and furthering economic development to reduce disparity, as set out in the *Constitution Act*, 1982, Schedule B, Part III Section 36 (1). Legislation for both the department and each of the RDAs set out how the Minister will fulfill these responsibilities. For example, the objectives of the EDI align with CED's responsibilities under the *Economic Development Agency of Canada for the Regions of Quebec Act* to promote the economic development and diversification in Quebec, "with a focus on those where slow economic growth is prevalent or where opportunities for productive employment are inadequate."[14]

According to interviewees, the EDI complements, and does not duplicate other government programs. Document review conducted by the evaluation team confirms that the EDI is a unique initiative for OLMCs. FedNor and the RDAs use their existing programs to deliver the EDI which demonstrates efforts made to complement existing programs. EDI recipients may apply to

[13] Federal Economic Development Agency for Southern Ontario. (2016). 2016-17 Report on Plans and Priorities.
[14] Economic Development Agency of Canada for the Regions of Quebec Act, S.C. (2005, c. 26).

other programs, if they meet the eligibility requirements. Interviewees explained that without the EDI, OLMCs may not have the knowledge or capacity to apply to other economic development programs. However, EDI projects help to build awareness of additional options and help build the OLMCs capacity to apply to these programs.

3.2 PERFORMANCE

3.2.1 To what extent have the expected outcomes of the EDI been achieved?

Immediate Outcomes

Key finding: The EDI has been successful in achieving its immediate expected results. Specifically, through research and consultation, the initiative contributes to a better understanding of the economic issues and challenges affecting OLMCs. Further, the initiative has funded 110 projects enabling OLMCs to develop capacity, expertise and partnerships.

There are two immediate outcomes of the EDI (Figure 1): a better understanding of the issues and challenges facing OLMCs and the acquisition of new skills, building of partnerships and developing capacity to take advantage of economic development opportunities.

Federal partners and stakeholders have a better understanding of the economic issues of OLMCs

EDI funding is provided to ISED's Official Languages Unit to lead research activities related to the EDI. This research is based on the *ISED Research Framework*: *Economic Development of Official Language Minority Communities 2013-2018.* This framework incorporates the recommendations from the 2011 Canadian Symposium on Official Languages[15] and is considered in ISED's overall research strategy. The framework was shared with stakeholders including the RDAs and OLMCs to validate that the research would respond to stakeholder needs.

During the evaluation period, ISED's Official Languages Unit produced 32 research and analytical reports. Research focused on themes such as: support for business, promoting entrepreneurship, the economic integration of immigrants, the impact of youth migration on OLMC vitality, and the importance of export activities of Francophone SMEs in Canada. Analysis and reports are shared with the EDI and Roadmap partners through various committees. Where applicable, reports are also shared within the department, with OLMCs and other government partners, mainly through informal working relationships.

In 2014, ISED signed a Memorandum of Understanding (MoU) with Agriculture and Agri-Food Canada to transfer the Community Information Database to ISED. This database provides communities, researchers, and governments with access to consistent and reliable socio-economic and demographic data and profiles for all communities across Canada. ISED's Official Languages Unit worked with Employment and Social Development Canada to integrate new labor market indicators (based on data from the 2011 Census) into the database which will provide new data on communities, further contributing to stakeholders understanding of

[15] The Canadian Symposium on Official Languages Research took place on September 1, 2011. Organized by Heritage Canada's Official Languages Secretariat in collaboration with ISED, the Symposium brought together approximately 100 university researchers, government representatives, and community participants for the purposes of discussing official languages research.

economic issues facing OLMCs.

In addition to conducting research, ISED hosts bi-annual stakeholder consultations (known as Dialogue Days) with OLMCs. These consultations allow participants to discuss opportunities and challenges that impact the economic development of OLMCs and provide federal partners with feedback on programs and services. Participants who attended the consultations held in the fall of 2016 noted the value of the event as a networking opportunity and appreciated that the differing realities of urban, rural and remote communities were represented. OLMC representatives acknowledged the effort to better reflect the priorities of OLMCs in federal priorities and appreciated receiving information about federal programs.

The evaluation found that in addition to ISED-led research, some RDAs such as FedNor, FedDev Ontario and ACOA conduct research activities to better understand the regional environment of OLMCs and respond to local OLMC priorities.

Communities and businesses develop capacity, new expertise and partnerships

Consistent with the goal of the Roadmap to support economic development of OLMCs, EDI funding supports a range of projects. Projects are funded under three categories: economic diversification, business development and innovation. By funding projects in these categories, communities develop their capacity, build new expertise and establish partnerships. While evidence indicates that the EDI projects contribute to developing capacity, new expertise and partnerships, comparable data amongst partners (for example the number/type of new expertise developed) is not available to assess the extent to which this has occurred.

Over the evaluation period, 110 projects have been supported by FedNor and the RDAs with contributions ranging from approximately $9,000 to $1.2 million per project. Funding recipients are organizations or SMEs who meet the eligibility criteria established in existing regional programs used by FedNor and the RDAs to deliver the EDI. While there are national organizations that support OLMCs, current EDI funding does not focus on projects of a national scope.

As illustrated in Table 2, the majority of projects support economic diversification (62%), followed by projects that support business development (35%) and to innovation (3%).

Table 2: Number and Type of EDI projects from April 1, 2013 to June 20, 2016

EDI PARTNER	CATEGORY OF PROJECT			TOTAL
	ECONOMIC DIVERSIFICATION	BUSINESS DEVELOPMENT	INNOVATION	
ACOA	27	14	2	**43**
CanNor	0	2	0	**2**
CED	8	14	0	**22**
FedDev Ontario	2	3	1	**6**
FedNor	25	3	0	**28**
WD	6	3	0	**9**
TOTAL	**68**	**39**	**3**	**110**

Source: Performance information provided by FedNor and each RDA to support the evaluation

Economic diversification is generally defined by EDI partners as communities that are better able to make socio-economic adjustments aimed at diversifying their economies including the development of new sectors, markets or products. For example, WD funded a project with a Saskatchewan-based recipient to implement a national and international marketing campaign for the Trails of 1885 including bilingual signage, expanding the current Trails of 1885 map to include Manitoba and Alberta, preparing bilingual marketing materials and a website, and hiring a bilingual project coordinator to help association members plan and execute events. This project benefits Francophone communities in the region by enhancing the ability of historical sites and cultural centres to convey their role in Canadian history and reach a broader audience in preparation of the celebrations for the 150th anniversary of Canadian Confederation. The project received $142,000 in EDI funding and leveraged an additional $124,000.

Business development fosters activities that support SME creation and growth. For example, through CanNor, the Association franco-yukonnaise received EDI funding of $240,000 over three years and leveraged $115,250 from other partners for the Workers' Bilingual Recruitment and Retention project. In partnership with the Conseil de développement des Territoires du Nord-Ouest and Carrefour Nunavut, the project identifies intervention strategies to better attract and retain bilingual Francophones in Canada's North to fill gaps in sectors with a shortfall of workers and to implement targeted and effective recruitment campaigns. During the first year of the project (FY 2015-2016), analysis was done on what attracts Francophones to the North. This included collecting profiles of Francophones in the three territories, identifying which sectors need employees most and what are the opportunities stemming from the Government of Canada's recent immigration reforms. In addition, a recruitment campaign including the development of promotional materials, recruiting tools, and strategies for all three territories was completed.

Innovation is about the introduction of new or improved goods and services. Within this category, two projects from ACOA and one from FedDev Ontario have been funded. The ACOA projects have increased partnerships between industry and their OLMCs by focusing on research and the development of advanced language technology for use by OLMCs. The project through FedDev Ontario received approximately $275,700 of EDI funding and leveraged

$336,000 to support a francophone ecosystem between 12 businesses, 3 not-for-profit organizations, students and researchers resulting in product development and process improvements. The project contributed to research capacity in the areas of biotechnology, analytic chemistry, microbiology, bioprocesses, agri-food, information technology, and construction and design. It increased the capacity of businesses through the production of 60 business online training tools and created 10 new partnerships.

As a result of EDI projects, partnerships have been created that encourage the economic development of OLMCs through networking and capacity building. For example, recipients of ACOA-funded EDI projects have created 112 partnerships and recipients of CED-funded projects have generated 63 partnerships. A project-specific example is of the Conseil de développement économique des municipalités du Manitoba, a project funded through EDI by WD which created a partnership of 32 organizations that engage in strategic planning for OLMCs in Manitoba, Saskatchewan, Alberta and British Columbia.

An illustrative example of a project that contributed to developing capacity, new expertise and partnerships was the development of the *National Tourism Strategy for Francophone Minority Communities.* By developing this strategy, organizations increased their capacity to identify and define tourism issues for OLMCs, to share strategic information and to create stronger networks. As a result of the strategy, RDÉE Canada signed a MoU with Destination Canada[16], leading to the first-time participation in the Rendez-vous Canada international tourism fair in Vancouver – an opportunity for RDÉE Canada to establish numerous contacts internationally. Similarly, in February 2015, CEDEC launched the *Tourism Development Strategy for Quebec's English-Speaking Minority Communities* in Montreal. The strategy was designed to bring Anglophones together with local proponents to access larger markets (such as Ontario, Canada; New England, United States; and England, United Kingdom). Both strategies were developed through funding from the ISED research component of the EDI.

The projects funded through the EDI vary in terms of duration, size and scope. Interviewees explained that the array of projects enables the EDI to reflect the needs of the OLMCs that FedNor and the RDAs serve.

Intermediate Outcomes

Key finding: Although it is too early in the initiative lifecycle to assess the full extent of the achievement of EDI intermediate outcomes, there are examples of EDI projects that have contributed to entrepreneurs creating, maintaining and expanding enterprises and of projects that have supported communities to implement economic development initiatives.

The EDI logic model depicts two intermediate outcomes (Figure 1): Entrepreneurs create, maintain and expand enterprises; and communities implement economic development initiatives. At the mid-point of the five-year duration of the EDI it is difficult to measure the extent to which the intermediate outcomes are being achieved. However, this section presents examples of projects that show contribution to the achievement of these outcomes.

Entrepreneurs create, maintain and expand enterprises

New expertise, partnerships and capacity development better equip entrepreneurs to create, maintain and expand their enterprises. As a result, SMEs grow and become more competitive, spurring investment in new and existing markets. They are also able to create new products and

[16] At the time of signing the MoU this organization was known as the Canadian Tourism Commission.

services and take advantage of the economic opportunities available through the use of both official languages.

Given the incremental nature of the EDI funding, some partners made a policy decision to not fund SMEs directly. As a result, the majority of the EDI project recipients are intermediaries such as OLMC-related associations and not-for-profit organizations. This makes it challenging to assess the direct impact of the EDI on entrepreneurs as this may not be immediately known at the end of a project. As well, some RDAs do not track performance information related to entrepreneurs and SMEs because they are not direct recipients of EDI funding.

Although the EDI primarily reaches entrepreneurs indirectly, interviewees explained that EDI projects are often the stimulus to support entrepreneurs to develop their skills and competencies so that they are able to create, maintain or expand enterprises. For example, CED funded a project called 'Lower Laurentian community microcredit access fund' to enable coaching, training and promotion activities specifically for Anglophone entrepreneurs. Upon completion of the project in 2018 it is anticipated that 35 Anglophone entrepreneurs will have completed capacity-building activities through participation in group training and seminars; 20 Anglophone entrepreneurs will have engaged in activities such as targeted coaching, drafting of business plans and pursuit of micro-loans; and 15 Anglophone entrepreneurs will have created new enterprises. EDI funding for the project was $236,000 and approximately $639,000 was leveraged through other funding partners.

There are some projects, primarily through FedDev Ontario, that have directly led to entrepreneurs creating, maintaining and expanding enterprises. Performance data for FedDev Ontario for FY 2015-2016 shows that 28 businesses were created, 113 businesses were maintained and 86 businesses were expanded through EDI projects. For example, FedDev Ontario supported a multi-year project to establish the Entrepreneurship Fund which is administered by the Prescott-Russell Community Futures Development Corporation. The project offers financial support in the form of loans as well as training and mentoring services for the development of Francophone businesses located in Southern Ontario. The project received $817,500 in funding through EDI and leveraged approximately $434,000. As of March 31, 2016, this project provided financial support for the development of seven businesses and the creation or maintenance of 39 jobs.

Communities implement economic development initiatives

By achieving the immediate outcomes of the initiative, EDI projects aim to support communities so that they are able to take advantage of economic development opportunities to diversify the economic base of OLMCs through increased business development and job creation. For example, in 2015, ACOA funded an EDI project for approximately $35,000 with the Municipality of the District of Clare to host the international cycling event 'Gran Fondo'. An additional $62,000 was leveraged through other funding partners for the event. The event was held in Baie Sainte-Marie in Nova Scotia and scheduled during the 'shoulder' season, between the peak and off-peak tourism seasons. The ride was initially expected to attract 150 participants, yet on September 27, 2015, 400 participants took part in the ride. The Gran Fondo is now an annual event that brings people from across Canada and around the world to the small French community of Baie Sainte-Marie. There were approximately 800 participants in the 2016 event. Interviews with ACOA representatives noted that the success of this annual event has exceeded expectations and has positively impacted tourism enterprises such as restaurants and hotels in the region.

Another project that aims to support communities to implement economic development initiatives is a project funded by FedNor. FedNor provided $140,000 in EDI funding to conduct a feasibility study of a culture centre in downtown Sudbury. This building will be a Francophone arts

and culture hub. This project, although not yet complete, has gained support from Sudbury's city council with a financial commitment of $5 million and land to be used as the future construction site of the *Place des Arts*. Once completed (projected for 2020), it is anticipated that the *Place des Arts* will host 850 activities and 50,000 people each year.

3.2.2 To what extent does the delivery of the EDI demonstrated efficiency?

Key finding: FedNor and the RDAs use existing delivery mechanisms and staff that have experience managing similar regional programs to deliver the EDI. The delivery model as well as the leveraging effect of EDI funds suggests efficiency. However, while regional-level performance indicators reflect the local environment of each partner, it hinders the ability to measure efficiency at the national level.

The evaluation team was limited in its ability to assess the efficiency of the initiative. To demonstrate efficiency, information is required to assess the use of resources in relation to the production of outputs and progress towards expected results.[17] The decentralized approach of delivering the EDI has resulted in minimal comparable national data such as standardized performance information and costs to deliver the initiative. As well, most partners do not separate the costs to deliver the EDI from the other programs delivered by their organization and some partners do not receive EDI funding for operations and human resources, which further challenges the ability to assess efficiency.

Considering these challenges, the evaluation examined efficiency from two perspectives: the EDI delivery model and leveraging.

Delivery Model

FedNor and the RDAs use existing programs to deliver the EDI. For example, the EDI is delivered through the Terms and Conditions of the Northern Ontario Development Program for FedNor, the Contributions for promoting regional development in Canada's three territories for CanNor, and the Western Diversification Program for WD. The decentralized approach of implementing the EDI allows FedNor and the RDAs to address the needs of OLMCs with criteria and requirements that are consistent with other programs delivered in their regions. As well, it allows each partner to use existing reporting and data collection mechanisms. For example, FedNor requires that recipients complete a follow-up form 2 years after the completion of their projects which allows the organization to track the achievement of longer term outcomes. Recognizing that the EDI is intended to fund incremental projects, this model suggests efficiency.

The decentralized approach also allows RDAs flexibility to manage the initiative within their regional operating environment and to take measures to reduce the cost of delivering the EDI. For example, ACOA has established a Committee of official language Regional Coordinators from each of the Atlantic provinces who hold virtual bi-monthly meetings to discuss and approve EDI projects. Program officers located in OLMCs work closely with clients who deliver projects and are the recipients of EDI funds. This reduces travel costs and ensures that projects supported by the Agency are appropriately monitored. WD also has a committee of its coordinators for similar purposes. As another example, FedDev Ontario has prioritized EDI support towards multi-year projects and uses a third-party delivery model, rather than funding projects

[17] Treasury Board of Canada. "Assessing Program Resource Utilization when Evaluating Federal Programs", Centre of Excellence for Evaluation.

with smaller scopes with recipients that are SMEs. Interviewees noted that this allows FedDev Ontario to maximize EDI funding to reach a broader number of beneficiaries in the communities.

The knowledge and experience of officers to deliver economic development programming in their regions also contributes to the efficient implementation of the EDI. Regional development officers work closely with stakeholders and OLMCs to create and maintain collaborative relationships. Interviewees explained that these working relationships help EDI partners understand the types of projects that would build the OLMCs capacity and the issues affecting the communities. EDI research and consultation activities are also shared with officers to help support clients for project development. In many cases, regional development officers work with applicants to facilitate the application process. One interviewee explained that while the EDI is a small proportion of the Roadmap, from a community perspective it has a large impact because the working relationships with regional development officers help to build trusting relationships between the communities and the federal government.

Leveraging

EDI projects have leveraged funding from other sources which contributes to the overall efficiency of the initiative. The analysis of 110 projects approved as of June 30, 2016 shows that the overall EDI leverage ratio was $1.42.[18] While the EDI does not have a national target for leveraging, examples presented throughout this evaluation report demonstrate that project recipients have been successful at leveraging other sources of funds that are available to them. Interviewees indicated that the EDI is a catalyst for attracting outside sources of funding. Interviewees also explained that the array of projects enables the EDI to reflect the needs of the OLMCs that FedNor and the RDAs serve.

[18] The leverage ratio is the total funds provided by other funder(s) divided by total EDI contribution.

4.0 CONCLUSIONS AND RECOMMENDATION

4.1 CONCLUSIONS

The evaluation reached the following conclusions about relevance and performance.

Relevance

- There is a continued need for the EDI to mitigate challenges faced by OLMCs by providing communities with opportunities for economic development and promoting linguistic duality.
- The objectives of the EDI are aligned with the federal government's priorities to promote the use of Canada's official languages and to support economic development of communities.
- The EDI is consistent with the federal government's legislative responsibilities related to official languages and regional economic development. The EDI complements other government programs designed to promote economic development.

Performance

- The EDI has been successful in achieving its immediate expected results. Specifically, through research and consultation, the initiative contributes to a better understanding of the economic issues and challenges affecting OLMCs. Further, the initiative has funded 110 projects enabling OLMCs to develop capacity, expertise and partnerships.
- Although it is too early in the initiative lifecycle to assess the full extent of the achievement of EDI intermediate outcomes, there are examples of EDI projects that have contributed to entrepreneurs creating, maintaining and expanding enterprises and of projects that have supported communities to implement economic development initiatives.
- FedNor and the RDAs use existing delivery mechanisms and staff that have experience managing similar regional programs to deliver the EDI. The delivery model as well as the leveraging effect of EDI funds suggests efficiency. However, while regional-level performance indicators reflect the local environment of each partner, it hinders the ability to measure efficiency at the national level.

4.2 RECOMMENDATION

Based on the findings of this evaluation, it is recommended that in addition to existing regional-specific performance indicators, EDI partners:

1. Establish national standardized performance and efficiency indicators that are consistently defined and collected amongst partners to enhance performance monitoring and reporting. In this context, EDI partners are encouraged to re-examine the logic model to ensure that the various levels of outcomes remain relevant with the standardized indicators while seeking to minimize the reporting burden on partners.