

## Looking Back, Looking Ahead

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April 21, 2008

Presentation to the Ontario  
Association of Community  
Futures Development  
Corporations

- Scott Merrifield

## History of Community Futures

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- 1979 - Community Employment Strategy (CES)
- 1981 - Local Employment Development Assistance (LEDA)
- 1983 - Local Employment Assistance & Development (LEAD)
- 1986 - Community Futures
- 1990 - Self-Employment Assistance

## History of Community Futures

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- 1994 - "Consolidation" of CFDCs
- 1995 - Transfer to Regional Agencies
- 1996 - "Re-engineering" of FedNor
- 2000 - \$90 Million Increase - Universal rural coverage & increased operating
- 2003 - Formative program evaluation
- 2004 - Eastern Ontario Development Program
- 2005 - 5 Year renewal & \$55 Million Increase

## Accountability

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*"Accountability is the foundation on which Canada's system of responsible government rests."*

*"Effective accountability means that those who manage public resources must be prepared to report openly on results achieved."*

*- Federal Accountability Act  
2006  
Action Plan*

## 2008 Program Evaluation

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### Issues:

- Relevance
- Design and Delivery
- Program Impact
- Cost-effectiveness and Alternatives
- Other

## 2008 Program Evaluation

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### Methodology

- Document review
- Interviews
- Surveys of CFDCs, clients, non-clients
- Performance and labour market data
- Case studies

## 2008 Program Evaluation

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### Time Lines:

- Interviews - February to April
- Surveys – March to April
- Data compilation – March to June
- Case study field work – April to May
- Analysis – June
- Draft report – August
- Final Report – Fall
- National roll up – Winter
- Program Renewal - 2010

## 2008 Program Evaluation

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### CFDC Roles:

- Steering Committee
- Data (reports)
- Client lists
- Interviews
- Surveys
- Case Studies

## “Scott’s SWOT”

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### Strengths

- flexible community-based program
- good track record
- strong volunteer and community base
- professional staff
- local partnerships
- regional and provincial networks
- sustaining core funding
- non-partisan
- support from FedNor

## “Scott’s SWOT”

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### Weaknesses

- lack of resources for CED (especially in SW Ontario)
- low visibility and public profile
- limited documentation in academic research or literature
- inconsistency and uneven performance
- idle investment funds

## “Scott’s SWOT”

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### Opportunities

- program evaluation
- longer term strategy for rural Eastern Ontario
- program research & development
- youth involvement
- National Event Collingwood 2009

## “Scott’s SWOT”

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### Threats

- getting stale, “same old same old”
- “closed” boards
- resistance to accountability
- sense of entitlement
- skepticism about ongoing programs
- inherent tensions between central government funding and local autonomy
- new decision-makers

## Some suggestions

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- Seek continuous improvement (research, planning, client service, evaluation)
- Give priority to all 4 parts of program mandate
- Tell your story, shameless self promotion!
- Board governance (transparency, diversity, succession)
- Embrace accountability, emphasize ROI to Canadians, taxpayers

## More Suggestions

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- Contribute to program evaluation
- Nurture partnerships and relationships
- Don't take anything for granted
- Celebrate success
- Try to make it fun!

# Looking Back, Looking Ahead

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- Recently retired from FedNor as Director of Policy and Planning
- Associated with CF since early beginnings.
- Being indulged as an old fart to offer some observations on the past and possible future evolution of the program, in the context of the current program evaluation
- Short presentation then an opportunity for questions and discussion
- Happy to have with us some former colleagues who can also engage in this dialogue:
- Carmen Demarco, Lori Seeley, Jason Mutch....

- In 1979, under the Community Employment Strategy (CES) of Employment and Immigration Canada (now HRDC), two community-based corporations in Guysborough, Nova Scotia and Nanaimo, British Columbia were given investment funds by the federal government to finance local businesses. That was the beginning.
- In 1981, Local Economic Development Assistance (LEDA) was launched as a pilot program by Employment and Immigration Canada (now HRDC) featuring locally controlled non-profit corporations with investment funds that could make loans to small businesses to create permanent employment in communities with high unemployment rates. 2 communities were selected in each region (Rainy River and Kirkland Lake in Ontario).
- It was followed by Local Employment Assistance and Development (LEAD). It supported 3 kinds of projects. LEAD Corporations were a continuation and expansion of LEDA. LEAD Planning Projects could be used for strategic community based economic planning, feasibility studies, or plans to support new LEAD Corporations. LEAD Infrastructure projects could develop physical infrastructure to support local economic development.
- In 1986, Community Futures was introduced to replace LEAD. It was targeted to communities with “chronic” or “acute” labour market problems. Sault Ste Marie was the first community selected in Canada. CF had 6 components:
  - Community Futures Committees (CFCs) were to analyze the local labour market and develop and implement a plan to deal with unemployment, making use of any combination of the other program components.
  - Business Development Centres were a continuation of the LEDA and LEAD Corporations providing business counselling and financing through their investment funds. LEAD Corporations in non-CF areas could continue to be supported as “freestanding BDCs”.
  - Self Employment Incentive provided training and an allowance to unemployment Insurance or social assistance recipients to support the transition to self-employment during the start-up phase of their businesses.
  - Relocation Assistance provided financial support to workers to relocate for jobs or travel to search for jobs in other centres.
  - Purchase of Training supported job skill training or entrepreneurial training.
  - Community Initiatives Fund (CIF) supported local development projects that were integral to the CFC’s strategic plan.
- In 1990 Self-Employment Assistance (SEA) became a universal program available in urban areas and contracted to delivery agents that were no longer exclusively CFCs. Relocation Assistance and Training were no longer part of the CF program.

- In 1994 CIF was discontinued. CFCs and BDCs were “consolidated” into single organizations. CFDCs were given the 3 part CED mandate of strategic planning and implementation, business counselling and investment. Maximum operating contributions were limited to \$200,000 versus \$100,000 + \$150,000. Freestanding BDCs could no longer receive support.
  - In 1995 CF was transferred to the regional development agencies (ACOA, FORD-Q now CED, and WD) to recognize that its mandate was now more economic (development and diversification) than social (labour market adjustment). In Ontario the program went to Industry Canada under FedNor. At the same time FedNor was to be “re-engineered” with extensive public consultation.
  - In 1996 the renewed FedNor was announced with a new emphasis on community-based programming and specific provisions for additional investment fund capitalization and informatics enhancement of CFDCs in Northern Ontario. The new FedNor had a 3 year mandate.
  - The 1998 budget extended FedNor’s funding and mandate indefinitely. In the same year, Treasury Board approved increases to the maximum for CFDC operating and investment contributions, but with no corresponding budget increase.
- The 2000 budget included a \$90 million increase to the CF Program over five years for the creation of new CFDCs to complete universal rural coverage in all 10 Canadian provinces and provided increased operating contributions to all CFDCs to enhance services. 9 new CFDCs were subsequently started in Ontario over the next few years.
- In 2003 a formative evaluation was conducted by each of the regional agencies and rolled up nationally. It found the CF Program was relevant and there was a continued need. Three key reasons were cited this success:
    - Flexibility of the program allowing for adaptation in each region
    - Grassroots nature allowed for individual community needs to be met and priority needs identified
    - Use of volunteers made the program credible and cost-effective.
  - In 2004 as a result of effective networking and advocacy by Eastern Ontario CFDCs and other stakeholders, the Eastern Ontario Development Program (Fund) was established to be delivered by FedNor through the 15 CFDCs in eastern Ontario.
  - In 2005. The CF terms and conditions were renewed for 5 years, the \$90 million increase from 2000 was made permanent and there was a further \$55 million increase over 5 years, which was allocated to increased contributions to CFDCs’ operating costs.

# Accountability

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Accountability is nothing new in Government. However this government in particular has made it a central part of their credo and public profile.

Here is a quote from the action plan of the 2006 Federal Accountability Act.

We need to keep in mind that there is a huge emphasis on this at the current time.

The current evaluation is referred to as a “final” or “summative” evaluation which has a much stronger emphasis on results than the 2003 formative evaluation.

The following are the questions being addressed under each of the broad evaluation issues.

### **Relevance**

- Is there a continued need for the Community Futures program?
- Does the CF Program complement, duplicate or overlap other government programs? Other private sector services?
- Are local CFDC objectives and activities consistent with the national CF Program? Are CF Program objectives consistent with departmental objectives?

*Is the current role of the Federal Government appropriate?*

### **Design & Delivery**

- Are the CFO networks (national, provincial, regional, and sub-regional) working effectively?
- What factors impact or facilitate the achievement of program results?
- Have communities been involved in developing strategic plans? To what extent are CFDC activities linked to those community plans?
- Are the CFDC investment funds well managed? Are the number, level and loss rates of the loans meeting the needs?

*Are the departments and CFDCs gathering the necessary data for evaluation and measurement purposes?*

### **Program Impact**

#### *Short-Term*

- To what extent has the CF Program provided appropriate information, referrals and counselling to clients?
- To what extent has the CF Program improved business knowledge and skills of clients?
- To what extent has the CF Program created new business start-ups or strengthened existing businesses?
- To what extent is the CF Program serving the needs of Official Languages Minority Communities (OLMCs)?

#### *Intermediate*

- To what extent has the CF Program: supported community economic development; assisted communities to develop and diversify their economies; and strengthened community capacity?

#### *Long-Term*

- To what extent has the CF Program contributed to long term goals (i.e., economic growth and stability, diversification and development of local rural communities, sustainable communities, and survival of business assisted by CFDCs)?

Has the CF Program produced unintended positive and/or negative outcomes?

### **Cost-effectiveness and Alternatives**

- To what extent is the CF Program cost-effective?

Are there other more cost-effective/ efficient approaches or alternatives to be considered that would achieve CF Program objectives?

### **Other**

- *What lessons have been learned from the CF Program either positive or negative?*

*To what extent have the recommendations of previous evaluations been implemented?*

These are the methodologies being used:

### **Document Review**

The following types of documentation will be reviewed:

*Authority documents:* include relevant Acts, the Memorandum to Cabinet, the Treasury Board Submission and any related policies.

*Corporate/operational documents:* include documents related to the delivery and management of the program (e.g., results-based management and accountability framework, operational guidelines, manuals, administrative reports)

*Audits, reviews, assessments, evaluations:* include previous research studies, evaluations and audits, and surveys.

### **Interviews**

4 FedNor Managers

12 CF Program officers

20 CFDCs managers and chairs of Boards plus OACFDC Executive Director

5 External experts or stakeholders

### **Surveys of CFDCs, clients, non-clients**

61 CFDCs have been invited to participate in a web-based survey. The survey is directed to the Managers of the CFDCs as well as the Chairs of their Boards of Directors.

There are three categories of clients included in this survey:

1. *Investment clients:* include those who applied to a CFDC for financial help (this includes accepted and refused clients).
2. *Business services clients:* include those who accessed the information services of a CFDC (e.g., counselling, advice, training), but did not apply to receive financial aid.
3. *Community Economic Development clients:* include those partners and organizations with which CFDCs may engage for the development and promotion of the CFDC service area, including the development of community strategic plans.

### **Non-Clients**

SMEs that have never used any services of a CFDC are supposed to be surveyed to gather information for comparison purposes. The practicality of this is still under discussion.

### **Performance and Labour Market Data**

Information gathered from TEA will be supplemented with data compiled from the CFDC annual reports, which provide detail on CFDC activities.

There are three possible sources of labour market data for the CF evaluation in Ontario: CFDC socio-economic profiles (2002 and 2006), Census data, and the Statistics Canada Labour Force Survey.

### **Case studies**

Three communities in the Ontario region will be selected to participate in case studies. The objective of the case studies will be to determine the impact of the CF program in each of the selected communities. **Communities selected include Brantford, Belleville and Kirkland Lake**

Data collection methodologies for the case studies will include additional interviews and community-specific data analysis. Before beginning the case studies, It is expected that GCS will conduct its data gathering activities through on-site visits in each of the communities selected.

# 2008 Program Evaluation

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- Interviews - February to April
- Surveys – March to April
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- Case study field work – April to May
- Analysis – June
- Draft report – August
- Final Report – Fall
- National roll up – Winter
- Program Renewal - 2010

Here are the broad timelines for the evaluation. As you can see it is supposed to be completed sometime this fall then rolled up and reported to Treasury Board over the winter, all leading up to decisions around the renewal of the program when current program authorities expire in 2010.

## 2008 Program Evaluation

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### CFDC Roles:

- Steering Committee
- Data (reports)
- Client lists
- Interviews
- Surveys
- Case Studies

This slide shows the ways in which CFDCs are participating in the evaluation.

**There are 3 CFDC association and regional network representatives on the steering committee:**

**Lisa Taylor from Grenville CFDC**

**Denis Berube from North Claybelt CFDC**

**Diana Jedig from the OACFDC**

Since the performance data comes from your reports it is obviously essential that they be accurate and up to date.

Hopefully all the client list have been provided by now. I know this was a challenge for some of you and your cooperation is much appreciated.

I suspect the interviews have all been completed by now...Jason? Again thanks for your participation and input.

The surveys are in progress now. Again it is essential that all CFDCs respond to the surveys and please encourage your clients to do the same. The response rate will determine whether the sample size is adequate to be statistically valid.

Those CFDCs involved in case studies will have additional important responsibilities as your communities are looked at more in depth. Your cooperation and support is critical and much appreciated.

## “Scott’s SWOT”

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### Strengths

- flexible community-based program
- good track record
- strong volunteer and community base
- professional staff
- local partnerships
- regional and provincial networks
- sustaining core funding
- non-partisan
- support from FedNor

The rest of my presentation is a very personal take on what I see as issues and challenges facing the program as we approach the next renewal.

It doesn't represent the view of FedNor or the Government.

Since you are all experienced in strategic planning processes I decided to use the template of a SWOT analysis, except that instead of a normal inclusive community or group process, I only had to come to consensus with myself... a more difficult challenge than you might think.

For strengths:

- flexible community-based program
- good track record
- strong volunteer and community base
- professional staff
- local partnerships
- regional and provincial networks
- sustaining core funding
- non-partisan
- support from FedNor

(not just financial but people support.) From program officers up to senior management the program is highly valued and they do advocate on your behalf at every opportunity.

What I see as weaknesses are:

- lack of resources for CED (especially in SW Ontario) versus access to NODP and EODP in north and east
- low visibility and public profile
  - “best kept secret” , people have to know and care about the value of CF to their communities. Politicians like to get some profile and credit. I know that your dealings with businesses are confidential but I’m sure many would agree to be profiled and to credit your support as a key to their success.
  - I know that progress has been made in this area but communications is something you can never do enough of, especially when you are dependent on political support.
- limited documentation in academic research or literature
  - It is a shame that this program has been around this long and had this much success, yet there is very little that has been documented through research, published in scholarly books and journals or taught in educational programs. This is an important element in gaining legitimacy and also training the next generation of CED practitioners.
- inconsistency and uneven performance
  - Part of this is perception. We know that every organization is different and every community is different and that the economic environment changes. So it follows that there will be variations from place to place and over time in the results that CFDCs achieve. Nevertheless, this has to be explained with solid evidence and convincing rationale to funders and central government agencies. But it is also true that some CFDCs are less effective than they could be, and sub-par performance does need to be addressed, preferably by the CFDCs themselves, but also if necessary by program officials.
  - We also need to recognize that in the CED game, it is necessary to take risks and very few initiatives or investments are a sure bet. However when mistakes are made, it is important to acknowledge them and learn from them.
- idle investment funds
  - This is an issue that won’t go away. Some measures have been tried and have failed, others have been proposed or implemented elsewhere. The fact that there are millions of dollars that are sitting in investment funds of some CFDCs that are not being used, and are way beyond a reasonable level of cash reserve, makes the program very vulnerable to criticism and undermines arguments that more funding is needed.

# "Scott's SWOT"

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## Opportunities

- program evaluation
- longer term strategy for rural Eastern Ontario
- program research & development
- youth involvement
- National Event Collingwood 2009

### Opportunities

#### • **Program evaluation**

Enough said, obviously important to participate, provide input, ensure it is accurate

#### • **Longer term strategy for rural Eastern Ontario**

After 4 years of annual one-year renewals a longer term strategy is needed. It may be an opportune time to make the case for southwestern Ontario

#### • **Program research & development**

There is interest in the program and some activity going on at Queen's, Guelph, and Algoma Universities. This warrants your interest and support

#### • **Youth involvement**

There have been a number of initiatives to increase youth involvement and participation in CFDC activities and boards as well as to support youth entrepreneurship. These should continue be pursued and enhanced.

#### • **National Event Collingwood 2009**

Great opportunity for public profile and to network with CFDCs from other parts of Canada.

## “Scott’s SWOT”

### Threats

- getting stale, “same old same old”
- “closed” boards
- resistance to accountability
- sense of entitlement
- skepticism about ongoing programs
- inherent tensions between central government funding and local autonomy
- new decision-makers

### Threats

#### • **Getting stale, “same old same old”**

When a program or an organization has been around for a long time there is always a danger that it stops being dynamic, proactive and innovative. Stops looking for new challenges, ideas, partners and approaches.

#### ▪ **“Closed” boards**

I don’t think there are many boards left who are completely self-perpetuating and do not have open and transparent recruitment processes and who do not try to ensure that they represent the diversity in their communities. But CFDCs have to always prevent any perception that they are “an old boys’ club”.

#### • **Resistance to accountability**

Reporting is a pain but a necessary one. Yes it can probably be improved and streamlined to get it right.

#### • **Sense of entitlement**

No matter how good you are, when you are dependent on public funds you have to constantly prove what a good investment you are and how much more you could do if you had more resources.

#### • **Skepticism about ongoing programs**

The attitude toward transfer payment programs in the federal government these days is that they need to be constantly re-examined. Tax cuts are in. Programs that continue to require increased funding are under scrutiny.

#### • **Inherent tensions between central government funding and local autonomy**

Government money always comes with strings attached. Program officials are expected to manage programs effectively to achieve broad public policy objectives. Grass-roots CED is about self-directed development by the community for the community.

There is lots of common ground but it takes lots of communication and work to stay on that ground and cultivate it productively. It’s bottom-up meets top-down.

#### • **New decision-makers**

There are fewer and fewer officials and politicians who know and appreciate the evolution and accomplishments of the CF program. You can’t assume that knowledge and support is there. You have to constantly make the case anew.

## Some suggestions

- Seek continuous improvement (research, planning, client service, evaluation)
- Give priority to all 4 parts of program mandate
- Tell your story, shameless self promotion!
- Board governance (transparency, diversity, succession)
- Embrace accountability, emphasize ROI to Canadians, taxpayers

- Continuous improvement, research, planning, client service, evaluation.
  - Analyze needs, consult clients and stakeholders, conduct your own evaluations, you're good but you can always be better.
- Give priority to all 4 parts of program mandate
  - strategic community planning and socio-economic development
  - business services
  - access to investment capital
  - support for local projects and special initiatives
- Tell your story, shameless self promotion
  - If they don't know you won't miss you or know what they're missing. Support academic research on the program.
- Board governance (Transparency, diversity, succession)
  - New blood, new ideas, new energy
- Embrace accountability, emphasize ROI to Canadians, taxpayers
  - Don't ask for money, show what it buys and what a bargain it is.

## More Suggestions

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- Contribute to program evaluation
- Nurture partnerships and relationships
- Don't take anything for granted
- Celebrate success
- Try to make it fun!

- Contribute to program evaluation
  - Had to say that!
- Nurture partnerships and relationships
  - Local government, educational institutions, community organizations, political leaders, government officials (especially retired ones)
- Don't take anything for granted
  - No time for complacency. Trying times economically and politically.
- Celebrate success
  - Reward and recognize volunteers, supporters, successful clients and partners.
- Try to make it fun!
  - I know it all sounds like work and it is, but make room to laugh and play.