



Process Evaluation

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Prepared for:

**Ontario Association of
Community Futures Development Corporations**

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Executive Summary

The Community Transition Program (CTP) is a \$15 million fund established by the Province of Ontario to assist the tobacco-growing communities of the counties of Brant, Elgin, Norfolk, and Oxford to move to a more diverse economic base.

The CTP program was initiated by the Ministry of Municipal Affairs and Housing (MMAH) in response to several related factors including the government commitment to a 'smoke-free' Ontario; the recent rapid decline in demand for Ontario leaf-tobacco and the expectation that demand would continue to decline; the economic crisis for leaf-tobacco producers and communities brought on by the decline in demand for leaf-tobacco; and the need to assist these communities in moving to a sustainable economic base.

The intent of the CTP program was to fund cost-shared proposals that will help diversify the local economy and create tangible economic benefits. The catchment area for the program includes Brant, Elgin, Norfolk and Oxford Counties where 94% of Canada's total tobacco production is concentrated.

The CTP program used a community based decision model where community representatives from across the four counties participated in a Project Approval Committee (PAC). PAC worked in conjunction with OACFDC and ministry officials and CTP staff in developing the program guidelines and eligibility criteria and was also responsible for deciding which projects to fund.

MMAH contracted the Ontario Association of Community Futures Development Corporations (OACFDC) to establish the program and local Community Futures Development Corporations (CFDCs) in each of the four counties assisted in developing and administering the program. The province identified a number of benefits in selecting OACFDC to establish the CTP program including its extensive experience in supporting community economic development in rural communities and its established infrastructure/presence with local CFDCs in the tobacco-growing region.

The CTP program was initiated on March 31, 2005. The period between April and October 2005 marked the development phase of the program which included the establishment of PAC, the hiring of CTP staff, and the development and approval of the program guidelines and procedures. The program was formally launched on November 8, 2005. The first CTP projects were approved by PAC in January 2006 and the final projects were approved in May 2007.

In April 2007, OACFDC initiated a two phase evaluation of the CTP program. The Phase 1 Evaluation involved a process evaluation of the program. This included an assessment of the process that was used to develop and deliver the program and the extent to which the program operated as intended. Phase 1 is the subject of this report.

The Phase 2 Evaluation is scheduled to be completed by December 2007 and will focus on the impact of the program on the recipient organizations, their workers, the community and the region beyond in relation to the program goals (i.e. economic diversification of the economy in the tobacco growing communities of Brant, Elgin, Norfolk, and Oxford Counties and tangible economic benefits such as job creation).

A variety of data collection methods were used as part of the Phase 1 Evaluation including a literature review and key informant interviews with CTP stakeholders including OACFDC, MMAH, OMAFRA, Industry Canada, CFDCs, and Project Approval Committee members. Additional insights into the program were gained through a review of the contract between MMAH and OACFDC, CTP related minutes from OACFDC Board meetings, CTP Steering Committee meeting minutes, and PAC meeting minutes.

Results

Between January 1, 2006 and May 17, 2007, the CTP program successfully funded 76 projects from across the four counties. These projects accounted for a combined total of \$14.8 million in CTP grants with an average grant amount of \$194,690. The lowest grant approved for a project was less than \$25,000 while the highest was \$1 million.

The CTP program supported a wide diversity of projects with 86% of the grant funds going toward economic diversity projects such as crop diversification, manufacturing, food processing, and tourism. The remaining grant funds went to municipal economic development initiatives, skilled trades and industrial training, and counselling and skills development.

It was purposely determined by PAC that grants would be awarded to the best projects based on the funding categories and criteria rather than establishing funding quotas for the four counties. As it turned out, the proportional distribution of projects and grant funds somewhat mirrored the distribution of tobacco production in the four counties. A total of 52 projects were funded in Norfolk while 15 projects were funded in Elgin, 6 projects were funded in Oxford and 3 projects were funded in Brant. In terms of grant funds, approximately 75% of the total grant funds went to Norfolk while 16% of the funds went to Elgin, 7% of the funds went to Oxford and 2% of the funds went to Brant.

Total CTP program administration costs amounted to \$1.14 million which included program development costs. Portions of the \$15 million CTP fund were invested by OACFDC in term deposits and generated about \$984,000 in interest income which largely covered the administrative costs. The total administrative costs as a percentage of the original \$15 million in funding amounted to 7.6%. With the addition of the interest income the administrative costs as a percentage of the \$15.98 million in funding amounted to 7.2%. By contrast, the administrative costs for the previous federal-provincial Tobacco Diversification Program (1994-1999) in Ontario accounted for 9% of the total program fund.

A total of 107 pre-proposal applications were processed into full applications which resulted in an average administration cost of \$10,709 per project. A total of 76 projects were approved which resulted in an average administration cost of \$15,077 per approved project.

If the \$984,000 in total interest earned from investments is factored out of the total administration cost the average administration cost for each project processed amounts to \$1,506 while the average administration cost for each approved project amounts to \$2,121.

This review has determined that OACFDC and its affiliated CFDCs are well suited and have the capacity to manage and administer regional based economic diversification/adjustment programs.

Program funds were used as intended and PAC was very cost conscious in identifying ineligible project expenses and areas where budgets could be trimmed. Approximately 50% of the projects that were approved had their grant amount reduced which resulted in more funds being available for additional projects.

A distinct feature of the CTP program was the million dollar funding limit which was used to encourage 'big idea' projects. The high funding limit successfully attracted several large projects that met the other eligibility criteria of the program and were ultimately approved. An unexpected result of this approach was that it provided PAC with a key insight into how expensive it can be for entrepreneurs to transition to other activities. The one downside to using a higher funding limit is that it can reduce the total number of projects that can be funded.

PAC recognized the key role of small businesses and sole proprietors in rural economies and made sure that this group was included along with corporations, partnerships, not-for-profit organizations, municipalities and educational/social service institutions as eligible applicant groups. The variety of applicant types contributed to the variety of projects that came forward from across the four counties.

PAC carried out due diligence in examining the potential market impact of projects. Although the onus was placed on applicants to provide market analysis information as part of their full-application, PAC routinely requested input from OMAFRA specialists and on several occasions requested a 3rd party analysis of local market conditions. The CTP program had a reserve fund of \$40,000 for conducting market impact assessments and the process generally worked well although there was one complaint which CTP staff attempted to address through discussions with relevant stakeholders.

In the few instances where the CTP program encountered challenges, it was typically linked to time constraints, particularly in the development phase of the program where additional time for research and consultation between stakeholders would have facilitated greater clarity in roles and the development of more detailed project assessment criteria and guidelines.

The findings indicate that the program generally operated as intended with some modifications incorporated along the way as CTP staff, PAC, and CFDCs grew into their roles. Stakeholders thought the program came together well and achieved the desired results in terms of supporting a diverse range of cost-shared projects, leveraging significant funding, and creating jobs. Several of the stakeholders identified this program as the highpoint of their community service/career record.

Recommendations

The following recommendations reflect actions for enhancing the design and delivery of the PAC model in future applications.

1. Develop a detailed Program Logic Model (PLM) during the design phase of the program to help clarify the program strategy, performance indicators and assessment criteria for assessing projects.

The process of developing a Program Logic Model will assist in identifying realistic and measurable outcome targets and setting priorities for allocating resources. The development of the PLM will help build consensus among participants and stakeholders and will provide a framework for evaluation. It can be used to identify differences between the ideal program and its real practice and it can make stakeholders accountable for program processes and outcomes. The PLM will assist stakeholders in making adjustments to the program during the implementation phase to build a better program.

2. Maintain the two-step project application process.

The two-step application process worked very well in attracting a variety of business/community economic development proposals. The process enabled program staff to review/discuss pre-proposals with applicants and advise applicants if they should proceed with a full application.

3. Establish intake periods for pre-proposal applications.

During the early months of the program, CTP staff became overwhelmed with preparing projects for review and processing contracts for approved projects. Establishing intake periods would help staff to more efficiently manage the caseload and reduce the wait time for recipients to receive their grant. For example, the program could be structured around a two week application intake period. All of the applications submitted during the intake period would be processed before announcing the next application intake period.

4. Continue to promote eligibility criteria that support both small and large projects.

The CTP program accepted applications from registered business enterprises including sole proprietors, corporations, and partnerships. The Project Approval Committee was interested in enabling large projects to participate in the program and it established a one million dollar funding limit to try and attract some 'big idea' projects. This attracted several large projects some of which were approved. The large funding limit also allowed the committee to better understand the real costs for some businesses to transition from one crop to another.

5. Continue to conduct independent market impact assessments.

CTP applicants were required to provide market analysis information as part of their full application which includes confirmation of the market and related growth trends. The Project Approval Committee had the authority to request additional market impact information if it felt the information in the application was insufficient. Several market impact assessment studies were completed at the request of PAC. The cost of these studies was split between the program and the applicant with mutually agreed upon consultants. In cases where PAC determines that the market impact analysis provided by the applicant is inadequate, a 3rd party analysis should be mandatory.

6. Develop a formal complaints procedure for project applicants and non-applicants.

Although the CTP program received very few complaints it did not have a formal complaints policy/procedure at the outset of the program. A procedure evolved over time whereby individuals who wanted to express concerns about the program were directed to speak with the Regional Coordinator. The Coordinator shared these concerns with PAC and was advised on any action to take. The development of a complaint management system that is well publicized and easily accessible will help to ensure that complaints are handled in a consistent and timely manner. The complaint procedure would be distinct from the appeal process which was used by the CTP program to provide applicants with an opportunity to alter their submission to meet the program goals and re-submit.

7. Streamline the accounting procedures by designating a single agency to manage all of the project accounts.

The CTP program accounting procedures resulted in some repetition as the participating CFDCs prepared financial reports for their projects which were then consolidated into a CTP program report. As well, there was some variation in the accounting formats used by the four CFDCs. In order to reduce repetition and avoid different accounting formats, a single agency such as OACFDC or a designated CFDC could be assigned to handle all of the accounting procedures and be compensated for related administration costs. Alternatively, the Steering Committee could be maintained

throughout the development and implementation of the program with an overseer role to ensure consistency in accounting formats between OACFDC and the CFDCs.

8. Maintain a program Steering Committee throughout the development and implementation of the program to provide ongoing advice to program staff.

The Steering Committee proved to be a very important source of information and advice for the Regional Coordinator during the development phase of the program. The revival of the Steering Committee after the formation of the Project Approval Committee was in response to this ongoing need. A smaller Steering Committee with core representation from stakeholders could fulfil this role once the program moves from the development phase to the implementation phase.

9. Develop clearer definitions and guidelines for the Project Summary scorecard and provide greater training in its use.

The scorecard was completed by the Project Officers to rate projects based on the extent to which they met the granting principles, category priorities, and desired outcomes (create/retain jobs, increase community capacity for community economic development, promote innovation, introduce new technologies, promote economic, diversity) of the program. Other criteria examined on the scorecard included the sustainability of the project, quality of partnerships, and the do-ability of the project/ease of implementation. The amount of criteria featured on the scorecard was overwhelming for some PAC members and lacked sufficient definitions/guidelines.

10. Conduct a literature review and seminar/workshop/information session for the Project Approval Committee and other program stakeholders on the lessons learned /outcomes achieved in other relevant programs.

Providing program stakeholders with an overview of the programs that have existed in the tobacco growing regions would provide stakeholders with a valuable perspective on the economics and business history of the area. Numerous programs with various foci have existed in the region since the mid 1980s including tobacco quota buy out programs and crop diversification programs. Having future Project Approval Committees understand the context of their work provides a better perspective on their decisions.

11. Maintain routine staff progress meetings to ensure effective communication and promote a good working environment.

Although not identified as part of the original program delivery design, the Regional Coordinator initiated routine staff progress meetings early into the implementation of the program to ensure regular communication between staff and address work and program related issues.

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Abbreviations

AEI	Alternative Enterprise Initiative
CEAI	Community Economic Adjustment Initiative
CFDC	Community Futures Development Corporation
CTP	Community Transition Program
EODP	Eastern Ontario Development Program
IC	Industry Canada
MMAH	Ministry of Municipal Affairs and Housing
NODP	Northern Ontario Development Program
OACFDC	Ontario Association of Community Futures Development Corporations
OFCTGMB	Ontario Flue-Cured Tobacco Growers' Marketing Board
OMAFRA	Ontario Ministry of Agriculture, Food and Rural Affairs
PAC	Project Approval Committee
PLM	Program Logic Model
SICEAI	Softwood Industry Community Economic Adjustment Initiative
TCT	Transition Crop Team
TDP	Tobacco Diversification Program
TTRI	Tobacco Transition Reduction Initiative or REDUX

COMMUNITY TRANSITION PROGRAM PROCESS EVALUATION

1.0 INTRODUCTION

The Community Transition Program (CTP) is a \$15 million fund established by the Province of Ontario to assist the tobacco-growing communities of the counties of Brant, Elgin, Norfolk, and Oxford to move to a more diverse economic base. The CTP program is contracted by the Ontario Association of Community Futures Development Corporations (OACFDC) and administered by the four Community Futures Development Corporations (CFDCs) located in the tobacco-growing region to encourage long-term, sustainable economic development.

The intent of the CTP program is to fund cost-shared proposals that will help diversify the local economy and create tangible economic benefits.

The provincial government recognizes that its efforts to improve the health of Ontarions by reducing tobacco use in the province will negatively affect both the tobacco-growers and their communities by reducing demand for their product. The decline in this industry is significantly affecting the communities within the tobacco-growing region. The CTP program was initiated to promote and foster the transition and create a more diverse economic base for these communities.

1.1 Purpose and Scope of the Evaluation

The CTP program delivery model promotes the role of community representatives in defining program goals and guidelines and determining the allocation of funds for community based projects. A strong emphasis is placed on monitoring and evaluation as part of this approach. With respect to internal monitoring, CTP program recipients were required to work with CTP staff in establishing project milestones and meeting these milestones as a condition for accessing their CTP funds. Program recipients were also required to complete an exit survey as part of the funding agreement.

OACFDC was also interested in having an external evaluator assess the process that was used to develop the program as well as the impact of the program in relation to its activities and outcomes. In April 2007, Harry Cummings and Associates (HCA) was contracted to conduct the evaluation of the CTP program.

The evaluation is being conducted in two-phases. Phase 1 involves a process evaluation of the program design and the process that was used to develop and deliver the program and the extent to which the program operated as intended. Phase 1 is the subject of this report. The Phase 2 evaluation will focus on the impact of the program on the recipient organizations, their workers, the community and the region beyond in relation to the program goals (i.e. economic diversification of the economy in the

tobacco growing communities of Brant, Elgin, Norfolk, and Oxford Counties and tangible economic benefits such as job creation). The Phase 2 evaluation will be initiated at the completion of the Phase 1 evaluation.

The scope of the evaluation will include a review of all CTP program activities and services during the development and implementation of the program.

The results of the evaluation will provide the OACFDC with information and recommendations that will aid in the design and delivery of future initiatives.

1.2 Timing and Budget for the Evaluation

The CTP program was initiated in April 2005. The first seven months were dedicated to establishing the organizational structure of the program and the program guidelines and procedures. In November 2005, the program started accepting project applications which began to be processed immediately by CTP staff. The first projects were approved by the Project Approval Committee (PAC) in January 2006 and the final projects were approved in mid May 2007 when the funding was exhausted.

The evaluation was initiated on April 16, 2007 with a meeting between HCA and CTP staff at the CTP offices in Simcoe. Informal meetings with the General Manager of the Norfolk District Business Development Corporation (Gordon Potts) and the President of the OACFDC (Ken Sheppard) were also conducted as part of this visit.

Phase 1 of the evaluation proceeded according to the schedule presented in Table 1. The only alteration to the schedule was a small extension in the time required to complete the key informant interviews and submit the Phase 1 draft report. The delay was linked to the need to conduct some of the key informant interviews in June.

Table 1: CTP Evaluation Timeline

Task	ACTIVITY	TIMING
PHASE 1: Process Evaluation		
1	Initial Meeting with CTP Staff	Mid April 2007
2	Review Background Information and Develop Program Logic Model	April 2007
3	Conduct Literature Review	April/May 2007
4	Develop List of Key Informants: Program Administration Stakeholders	April 2007
5	Develop Key Informant Interview Guides for Program Administration Stakeholders	April/May 2007
6	Conduct Key Informant Interviews with Program Administration Stakeholders	May 2007
7	Review the Marketing of the Program to the Public	May 2007
8	Complete Data Analysis	May 2007
9	Prepare Phase 1 Draft Report	June 1, 2007
10	Prepare Phase 1 Final Report	June 29, 2007
11	Presentation of Phase 1 Final Report	June 29, 2007

PHASE 2: Outcome Evaluation		
12	Preliminary Meeting with CTP Staff to Initiate Phase 2	June 29, 2007
13	Review and Finalize Phase 2 Evaluation Design	July 15, 2007
14	Develop List of Key Informants: Program Applicants	July 2007
15	Develop Mail/Email Survey Questionnaires for Successful and Unsuccessful Program Applicants	July 2007
16	Conduct Mail/Email Survey of Successful and Unsuccessful Program Applicants	August/Sept 2007
17	Review of Accountability Systems	September 2007
18	Review of Costs and Benefits and Duplication of Effort	September 2007
19	Complete Data Analysis	October 2007
20	Prepare Phase 2 Draft Report	October 31, 2007
21	Prepare Phase 2 Final Report	December 14, 2007
22	Presentation of Phase 2 Final Report	December 14, 2007

The total budget for conducting Phase 1 and 2 of the evaluation is just over \$44,000 including expenses.

1.3 Structure of the Phase 1 Evaluation Report

This report presents the results for the Phase 1 Process Evaluation of the CTP program. Chapter 2 of the report provides a program profile while Chapter 3 provides a brief literature review. Chapter 4 presents the evaluation design including the Program Logic Model and the major evaluation questions that were addressed. Chapter 5 presents the evaluation findings while Chapter 6 and 7 present conclusions and recommendations.

2.0 BACKGROUND AND CONTENT

2.1 Introduction

The Community Transition Program (CTP) is a \$15 million fund established by the Province of Ontario to assist the tobacco-growing communities of the Counties of Brant, Elgin, Norfolk and Oxford to move to a sustainable economic base. The CTP is contracted by the Ontario Association of Community Futures Development Corporations (OACFDC) and administered by the four Community Futures Development Corporations (CFDCs) located in the tobacco-growing region to encourage long-term, sustainable economic development.

The Community Transition Fund is part of a \$50 million initiative by the Province of Ontario designed to assist Ontario's tobacco growers and their communities. In April 2005, the province provided \$35 million to the Ontario Flue-Cured Tobacco Growers' Marketing Board (OFCTGMB) to assist growers who wished to exit the industry. The remaining \$15 million of the Transition Fund went toward the CTP program to enable citizens, organizations and municipalities to develop initiatives to help diversify the local economy and create tangible economic benefits.

2.2 Organizational Structure

The Ontario Ministry of Municipal Affairs and Housing (MMAH) provided the \$15 million CTP program funding in the form of a one-time grant to OACFDC. The province was interested in contracting the program through an organization which could represent regional and community interests in the tobacco-growing area. The province decided to go with OACFDC given its history of supporting community economic development in rural communities and its established infrastructure/presence with local CFDCs in the tobacco-growing region.

Under the agreement with MMAH, OACFDC was allowed to charge an administration fee to cover reasonable consulting costs associated with establishing and implementing the CTP program. OACFDC was also required to ensure that MMAH received semi-annual progress reports and audited financial statements. MMAH also required that OACFDC submit all public information, reports, materials, and advertising in relation to the program for review and approval prior to public release.

Representatives from MMAH and the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) served in an advisory capacity throughout the development and implementation of the program.

OACFDC established a working group to develop the organizational structure and administration plan for the CTP program which became the CTP Steering Committee. The Steering Committee was also tasked with developing the preliminary program guidelines and 'starting the program'. The committee consisted of the General

Managers and other representative from the four participating CFDCs, as well as representatives from MMAH, OMAFRA and OACFDC. This work was completed between April and August 2005.

Under the agreement with the province, OACFDC was required to establish a Project Approval Committee (PAC) for the purposes of reviewing and approving CTP projects and receiving advice and recommendations in the management and administration of the program initiative. PAC was established in August 2005. PAC consisted of one representative from each of the four CFDCs and one community member from each of the counties. The chair of PAC was appointed by OACFDC. PAC also featured a number of Ex-Officio members representing MMAH, OMAFRA, OACFDC, and Industry Canada (IC). The Ex-Officio members provided insight and support to PAC during meetings in a non-voting capacity. Prior to the full implementation of the program PAC also played an important role in reviewing and approving the program guidelines and procedures. Once PAC was established it took responsibility for directing the release of funds from OACFDC.

CTP staff consisted of a Regional Coordinator, two Project Officers, and an Administrative Assistant. The Regional Coordinator was hired by OACFDC in late August 2005 while the local CFDCs took responsibility for hiring the Project Officers in Sept/Oct. 2005. The Regional Coordinator played an important role in assisting in the development and refinement of the program guidelines and procedures before they were submitted to PAC for review and approval. The Project Officers developed projects at the community level and presented the projects to PAC for funding consideration. CTP staff were the public voice and face of CTP and were responsible for the day-to-day delivery of the program.

Figure 1 shows the administration plan for the CTP program and some of the main activities carried out by the different stakeholders.

Figure 1: CTP Administration Plan



2.3 Development of CTP Program Guidelines

Between April and August 2005, the CTP Steering Committee drafted the scope of the CTP program and the program funding categories (i.e. enterprise diversification, community capacity for growth, and human capacity for change). The draft funding categories were developed in reference to some of the recommendations that came out of the Tobacco Community Action Plan (Norfolk at the Crossroads, March 2004).¹

The preliminary scope of the program as well as the draft guidelines, funding criteria, and project outcomes were presented at a public information session in Delhi in June 2005. The public was invited to provide feedback on the proposed program features and they were also asked to comment on what they felt were reasonable funding limits for each of the proposed funding categories.

The program guidelines were refined based on the public input and the refinement process continued when the Regional Coordinator was hired in late August 2005. The Regional Coordinator also worked on developing the project application and assessment process in preparation for the review by PAC.

The CTP Steering Committee developed the Terms of Reference for PAC in April/May 2005. The terms outlined the mandate and composition of PAC as well as the time requirements of committee members.

PACs mandate consisted of the following activities:

1. Conduct public consultations with the impacted communities to determine the program areas for funding through the CTP;
2. Develop and finalize funding criteria for projects in the selected program areas that satisfy the goals and objectives of the program, including project rationale, goals, key activities, deliverables, associated projected costs, timelines and outcomes;
3. Review and approve projects submitted for CTP funding;
4. Approve and monitor CTP, CFDC and OACFDC budgets for the implementation of the CTP program; and,
5. Monitor the progress of the CTP as required in the Agreement entered with MMAH on 31 March 2005.

The composition of PAC reflected MMAHs interest in establishing a regional approach to delivering the program. As per the agreement with MMAH, PAC consisted of 9 members including an executive member from the OACFDC Board Directors (who was

¹ The TCAP was developed by Norfolk County with assistance provided by the Government of Canada through a Local Labour Market Partnership. The general mandate of the program was to develop an action plan to assist Norfolk to diversify its economy in order to effectively deal with the impact of a declining tobacco industry. The Team Advising on the Crisis in Tobacco (TACT) was formed with community representatives to direct the program and report to stakeholders.
www.norfolkcounty.on.ca/Contribute/doingBusiness/tcap.aspx

appointed as chair of PAC), a representative from each of the CFDCs in Brant, Elgin Norfolk and Oxford, and a community representative from Brant, Elgin Norfolk and Oxford. Federal and Provincial government representatives and the Executive Director of the OACFDC were allowed to serve as Ex-Officio PAC members.

Each CFDC was responsible for choosing its own PAC community representative in consultation with the community. In recruiting the community representatives the CTP Steering Committee suggested that representatives possess the following characteristics:

- In depth knowledge of their community;
- Direct experience, knowledge and connections to community-wide stakeholders in one or more of the following segments: tobacco production, agri-business, education, training, manufacturing, tourism, environment, municipal delivery, social services;
- An understanding of economic development strategies.

The PAC position was a one year term volunteer position with an annual review.

2.3.1 CTP Program Guidelines

PAC conducted its inaugural meeting in August 2005. Between August and October 2005, PAC reviewed the program guidelines and procedures as drafted by the CTP Steering Committee and CTP staff. The CTP Program Guidelines were finalized and approved by PAC in October 2005 and are reproduced below.

Goal of the Community Transition Program

The Province of Ontario has provided \$15 million to assist tobacco-growing communities of the counties of Brant, Elgin, Norfolk and Oxford to move to a sustainable economic base. The intent of the program is to fund cost-shared proposals that will help diversify the local economy and create tangible economic benefits.

This fund is a catalyst that enables citizens, organizations and municipalities in the tobacco-growing region to develop initiatives to meet this goal.

Funding Principles

CTP funds project proposals that meet the goal of the fund. Preference is given to projects which:

1. are focused on the tobacco growing areas of the four counties;
2. are directed at assisting those individuals, businesses and communities most affected by the decline in the tobacco industry;
3. demonstrate tangible, sustainable economic benefits such as job creation;
4. assist the communities in the tobacco-growing region to diversify;
5. are cost-shared;
6. demonstrate community support;
7. leverage other private or public funding;
8. demonstrate collaboration, partnerships and regional approaches;

9. demonstrate conformity to community planning;
10. reduce out-migration.

Funding Categories

The CTP fund places priority in supporting projects in the following three areas:

1. Sustainable, Diversified Economy

The tobacco growing region's ability to make a transition into a more diversified economy depends on initiatives that stimulate economic growth. A sustainable economic base is achieved by the entrepreneurial action of enterprises in the economy. Enterprise diversification will focus on proposals for new ventures or existing enterprises that develop new directions in the diversification of markets and processes.

The CTP fund places priority in supporting initiatives that:

- a) promote innovation, research and development;
- b) explore and expand markets for existing or new crops, processes or products;
- c) promote start-up of new agri-food processing facilities;
- d) market the economic potential of the tobacco growing region;
- e) expand the industrial capacity of the region;
- f) promote expansion of other economic sectors;
- g) promote start-up of alternate enterprises;
- h) promote expansion of existing businesses into diverse directions;
- i) promote investment attraction.
- j) provide market research or business plans that relate directly to a project which meets the program goals

2. Community Capacity for Growth

In order for the region to successfully diversify its economy and to compete equally with other communities in Ontario for investment, there must be the capacity to accommodate and support the social, economic and physical changes required to facilitate the transition. Residents, particularly those most impacted by change, will look to local government, institutions and organizations for community-based solutions; this means making the necessary changes which will allow growth and diversity to flourish. Local governments need to ensure that the physical infrastructure (roads, water, power, communications) supports new enterprises. Institutions and organizations need to be responsive to the demands of business and workers in transition.

The CTP fund places priority in supporting initiatives that:

- a) provide technical knowledge and support;
- b) increase the knowledge base in regard to agriculture diversification and alternate crops;
- c) increase institutional capacity to provide assistance such as business planning, marketing, projections to business enterprises;
- d) facilitate transportation to markets;
- e) ensure infrastructure is in place to support new technologies and manufacturing processes.

3. Human Capacity for Change

Communities in transition need to be mindful of the needs of those most impacted by the changes taking place – farm families, workers and those operating supporting businesses. Human Capacity for Change will focus on proposals of community groups, institutions and organizations that assist farmers, families, workers and business owners to manage the transition.

The CTP fund places priority in supporting initiatives that:

- a) provide personal and career counseling and prior learning assessment;
- b) support programs for families;
- c) deliver self employment programs which offer business skills;
- d) facilitate technical skill certification and apprenticeship opportunities including wage subsidies for retraining ;
- e) facilitate education and training for career opportunities;
- f) identify skill needs and other requirements for the emerging economy;
- g) provide information about new crops, processes, technologies and facilitate the integration of these into existing or new enterprises;
- h) prevent youth out-migration by enabling young people to work in the community and giving them internship opportunities;
- i) create programs and services locally, which are not readily available elsewhere.

Assessment Criteria

In addition to the funding priorities, projects will also be assessed on factors such as:

- a) addressing one of the funding priorities;
- b) involving many of the funding principles;
- c) ability of the applicant to carry out the proposal and achieve the declared outcomes;
- d) ability of the applicant to manage funds;
- e) the do-ability of the project, ease of implementation;
- f) degree of innovation;
- g) partnerships;
- h) sustainability;
- i) market impact;
- j) job creation.

Project Funding Limits:

Projects that address Category 1 -Sustainable, Diversified Economy, may be funded up to a maximum of \$1.0 million. Applicants must provide matching funds of a minimum of 50% of project costs.

Projects that address Category 2 -Community Capacity for Growth, may be funded up to a maximum of \$1.0 million. Applicants must provide matching funds of a minimum of 50% of project costs.

Projects that address Category 3 -Human Capacity for Change, may be funded up to a maximum of \$1.0 million. Applicants must provide matching funds of a minimum of 20% of project costs.

All projects must be cost-shared. Applicants are expected to bring cash and in-kind contributions to their project proposal. In-kind contributions may be considered up to 25% of the applicant's portion of project costs.²

Program Approval Committee Conditions

The Project Approval Committee reserves the right to negotiate project funding amounts. PAC reserves the right to approve funding subject to certain conditions such as: approval of a zoning by-law amendment if required, proof of adequate liability insurance, and the applicant signing a declaration regarding legal matters.

Who can apply?

- a) non-profit/not-for-profit, incorporated organizations;
- b) registered business enterprises such as sole proprietors, corporations and partnerships (supporting documentation to be provided);
- c) legally-constituted collaborative of two or more businesses;
- d) municipalities and their agencies;
- e) charitable organizations;
- f) educational institutions/social service institutions.

Eligible Costs

CTP can provide funding for reasonable operational project costs. Proposals must provide a detailed budget with full description of proposed project costs. Anticipated capital costs and leasehold improvements will be negotiated as part of the project approval process.

CTP will not fund:

- a) projects which in any way involve religious, political or illegal activities;
- b) activities that could be deemed as discriminatory as defined by the Ontario Human Rights Code;
- c) purchase of land/ real estate;
- d) debt or deficit reduction;
- e) project costs incurred or completed prior to project approval.

² Initially in-kind contributions were also permitted for consideration up to 25% of the applicant's portion of project costs. Within the first couple of months of the program being implemented PAC determined that it was too difficult to verify in-kind contributions and decided only to use this form of contribution if it was determined the project could not go forward without it.

Duration of Projects

Single year or multi-year projects will be considered supported by a sustainability plan for a term to be determined appropriate by the PAC.

Other Government Funding

Applications can be made which have funding from other government programs. All applicants will need to identify all sources of government funding from other programs.

Proposal/Application Process

Step 1

Read the CTP guidelines first to determine if your organization is eligible to apply and the proposal is a good fit with the Funding Principles, Funding Priorities and the Assessment Criteria.

Step 2

Contact the CTP staff located at your nearest Community Transition office.

Step 3

Prepare and submit a pre-proposal to the CTP staff using the pre-proposal form. The pre-proposal format does not exceed 3 pages in length.

- a) an overview of the project including: title, location, start date, estimated completion date;
- b) description of the nature and intent of the project;
- c) relevance to the funding principles and priorities and the anticipated benefits to the community;
- d) a project budget summary.

Step 4

Meet with the CTP staff to review your pre-proposal. A copy of all pre-proposals will be provided to the PAC members as information items.

Step 5

A full proposal will be required for all projects that a CTP Project Officer identifies as meeting the program goals. The application must include all required information as set out in the CTP guidelines. The application and project proposal must be completed to the satisfaction of the CTP staff prior to submission to the PAC.

Approval Process

The Project Approval Committee (PAC), which is comprised of representatives from Brant, Elgin, Norfolk and Oxford, has the responsibility for final approval of all proposals. No verbal presentations will be made to the PAC. All decisions by the PAC are final. Applicants wishing to appeal may alter their submission to meet the program goals and re-submit.

Agreements

- Each proposal that is approved for funding by PAC will be implemented by a formal agreement specifying the responsibilities of each party, the items for which expenditures are anticipated, the conditions under which payments will be made and mutually agreed upon measures designed to assess the success of the activities in attaining their objectives.
- **Expected Results and Outcomes** - CTP projects are expected to assist the communities most affected by the decline in tobacco industry towards a more diverse economy and to produce real economic benefits. Recipients of funding will be expected to report at pre-determined intervals on the achievement of results in relation to the program's funding principles and priorities.
- **Disbursement of Funds/Basis of Payment** - advance payments may be made to enable the project to commence and operate. As appropriate, progress payments will be issued relative to achievement of negotiated milestones. The CFDC that administers the CTP project agreement may withhold up to 10% of the value of the project until the final account of the project has been received.
- **Disposal of Capital Assets** - In the event of a premature end of a project, the disposal of capital assets will be determined by PAC on a project-by-project basis.
- **Intellectual Property** - Where it is to the advantage of the community and not detrimental to the goals of the recipient, the CFDC will negotiate shared-use of any intellectual property developed by the recipient or through a third party.

Audit

Each agreement will specify that the CTP administrators retain the right to audit the records of the recipients of CTP funds. CFDC/CTP staff may monitor projects, including financial records, project milestones and achievement of expected outcomes.

The PAC reserves the right to modify the Program Guidelines in an effort to meet the program goals.

2.3.2 PAC Policies and Procedures

A Memorandum of Understanding was prepared and approved by PAC which outlined the rules and responsibilities of the committee. The MOU was finalized and approved by PAC in October 2005 and some of the key policies and procedures are reproduced below.

Conflict of Interest Policy

Generally members of the committee are encouraged to recognize when they are or could be perceived as being in conflict of interest with their responsibilities as a member of the committee. Conflicts should be noted either at the beginning of a meeting or before presentations and discussions of specific projects that are being reviewed. The

member shall leave the meeting and shall take no action to participate in, or influence, the vote of other members when said item is to be resolved by the committee. No member of PAC shall bring forth an application.

Decision Policy

Decisions will be in the form of motions, seconded by voting members.³ Motions will be in the form of the following:

- i. For approval as requested
- ii. For approval subject to the following conditions...
- iii. Not approved
- iv. For approval of operational guidelines such as; the adoption of a logo and marketing plan, policies and procedures

The committee may vote to defer a decision on recommendation until further information or clarification is obtained by staff from the applicants. This information is normally presented at the next committee meeting.⁴

The Chair will call the vote and if consensus is not forthcoming a vote will be taken. The Chair will only vote in the event of a tie. A declaration by the Chair that a resolution has been carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour or against the motion.⁵

Quorum and Proxy Vote Policy

Quorum shall consist of a minimum of five committee members present and a minimum of one representative from each of the four counties. No proxy votes will be permitted. Written comments from members of the committee not in attendance may be presented to the Chair for discussion purposes.

Appeal Process

All decisions by PAC are final. Applicants wishing to appeal may alter their submission to meet the program goals and re-submit.

³ In actual practice PAC used a two-step motion process for each project. The first motion sought a decision to approve the project for CTP funding. If approved, a second motion was sought to approve or modify the project budget.

⁴ This could include obtaining further information from OMAFRA staff and/or a 3rd party consultant (e.g. market impact assessment).

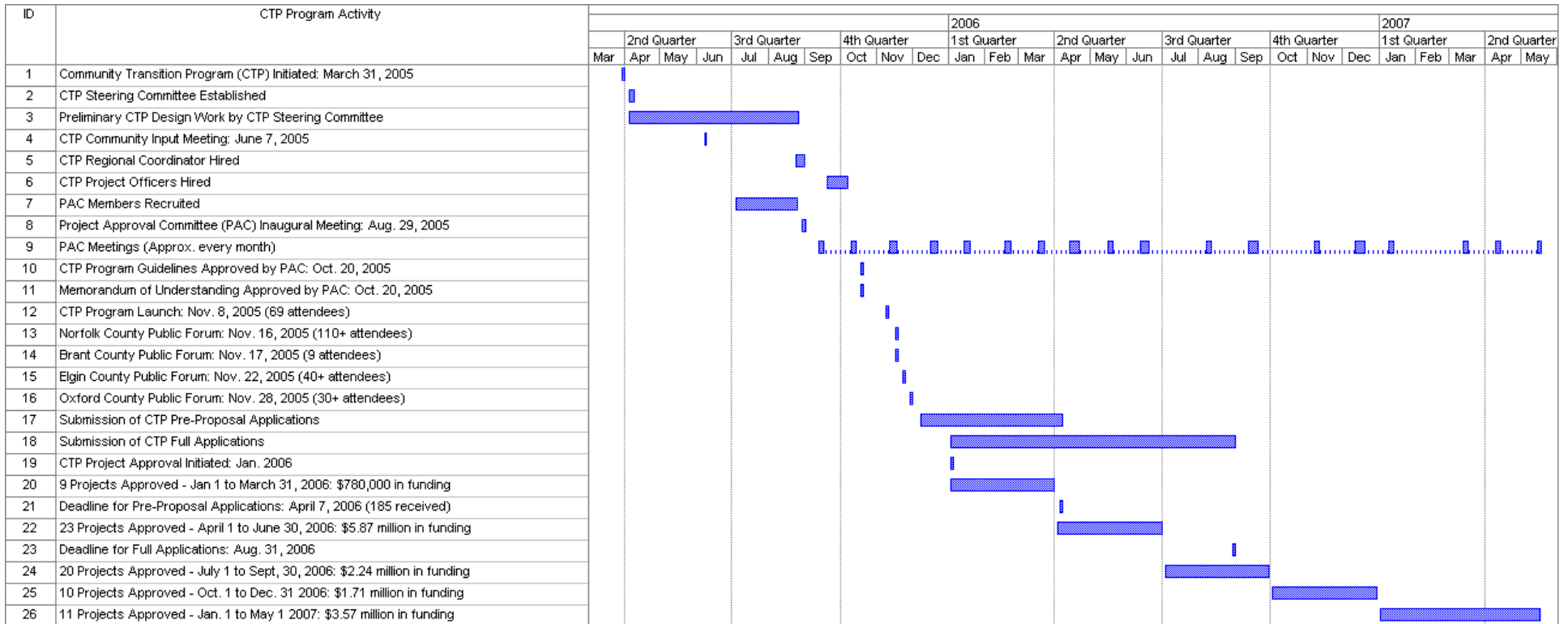
⁵ PAC decided not to record votes in the meetings minutes.

2.4 CTP Program Timeline

The CTP program was initiated on March 31, 2005 with the signing of the contract between MMAH and OACFDC. The period between April and October 2005 marked the development phase of the program which included the establishment of PAC, the hiring of CTP staff, and the development and approval of the program guidelines and procedures. The program was formally launched at a media conference in Simcoe on November 8, 2005. This was followed-up by public information sessions in each of the four counties during the same month. CTP staff started receiving pre-proposal applications in December 2005 and the first full application projects were approved by PAC in January 2006. Between January 1, 2006 and May 1, 2007, PAC approved a total of 73 projects and granted a total of almost \$14.2 million in CTP funds.

Figure 2 shows the timing of the main CTP program activities and events from March 31, 2005 to May 1, 2007.

Figure 2: Timeline of CTP Program Development and Implementation Activities



3.0 LITERATURE REVIEW

This literature review provides a scan of programs from across North American jurisdictions that aimed to specifically transition their regional economies away from dependency on a single commodity focus. In this case we have looked mostly at tobacco dependent communities in Canada and the United States, but we have also examined other sectors of regional economic diversification across Canada, especially in communities that have been dependent on fisheries, forestry and mining.

The central emphasis of the Community Transition Program (CTP) was focused on three themes promoting; a. Sustainable and Diversified Economies, b. Community Capacity for Growth, and c. Human Capacity for Change.

The CTP program wanted to avoid, from the outset, any awkward competition with existing sectors. The goals of the CTP were broadly to be ‘tangible economic benefits’ for the tobacco-growing counties of Elgin, Norfolk, Brant and Oxford in Southern Ontario (Klunder, 2007).

The CTP program was designed for a variety of economic activities, not only for farming related ventures. New businesses initiatives, non-governmental organizations (that could handle and provide the human skills in developing the capacities for changing the regional economy) and municipalities could apply for funding. The CTP was more likely to fund tangible and ready to go projects, rather than feasibility studies. There needed to be clear signs of readiness to move forward and a clear plan of action (Potts, 2007). Before highlighting various community economic transition programs from jurisdictions across North America, we reviewed the tobacco diversification programs that have been implemented in Ontario over the last 3 decades.

3.1 Tobacco Programs in Ontario

3.1.2 Tobacco Transition Reduction Initiative (TTRI) or REDUX

By the mid 1980s, there were initiatives underway to address the changing nature of the tobacco sector at large, and how it was affecting tobacco farmers in Southern Ontario.

One of the first programs that focused on reduction in the tobacco industry in Ontario was the Tobacco Transition Reduction Initiative (TTRI) or REDUX as it was commonly referred to, operated jointly between the Flue-cured Tobacco Marketing Board (hereafter the Board) and the Ontario Ministry of Agriculture and Food (OMAF) from 1983 to 1987. The purpose of the program was to permanently retire tobacco quota and at the same time provide farmers a reasonable return for selling their quota. REDUX alone accounted for the retirement of more than 60 million pounds (27 million kilograms) or half of the quota over this period (Ramsey et al, 2000).

Toward the end of the 1980s, other programs emerged with a greater emphasis on diversification while promoting economic transitions for the community at large. One of these was the Ontario Crop Introduction and Expansion Program, supported both federally and provincially (Columbus, 2007). However, it was not until 1987 that a specific and organized effort was made to directly consider alternative business development as a way to support a transition process for the tobacco sector in Southern Ontario.

3.1.3 Alternative Enterprise Initiative and the Transition Crop Team

The Alternative Enterprise Initiative (AEI) Program was federally directed with support from the province of Ontario. The AEI program provided funding for projects to help create viable agricultural alternatives for farmers in the tobacco-growing regions. The program ran from 1987 to 1991 with a total budget of \$13.8 million in federal support. 36 projects were ultimately approved by an AEI selection board comprised of federal experts (OMAFRA, 2007).

In retrospect, the AEI was less successful because of the organizational structure and design of the program. The AEI project approval team was extensively involved in funding allocations. The guiding mandate was in promoting cooperative-style economic development, rather than allowing the applicants to make internal business design decisions. Large, ambitious projects were supported, but ultimately, most of the projects did not survive (Columbus, 2007).

Running almost concurrently with the AEI program, the Transition Crop Team (TCT) had been established by OMAFRA in 1986. The program was operated by OMAFRA within the central tobacco growing region and focused around the OMAFRA agricultural experimental station in Simcoe, Norfolk County. The tobacco sector was most highly concentrated in this community. The TCT focused on the development and introduction of new crop alternatives in the region and by the phase out of the program in 1990 approximately 30% of the program funds went to agronomic extension, while 70% was directed towards the development of new crop alternatives (Agriculture Canada, 1990).

3.1.4 Tobacco Diversification Program

The Tobacco Diversification Program (TDP) was in many respects a renewal of the Alternative Enterprise Initiative (AEI). Beginning in 1994, the \$5.4 million Canada-Ontario TDP program had a mandate of encouraging economic diversification, value-added activities and the development of new, non-tobacco related markets that would benefit the agricultural community in the tobacco growing regions of Ontario. The TDP program would provide cost-shared financial assistance of up to 75 per cent of the project's eligible costs to a maximum of \$250,000 per applicant over the duration of the program. Equipment costs up to a maximum of \$100,000 per applicant could also be supported (OMAFRA, 2007).

The Tobacco Diversification Program Committee pioneered a new model of program delivery where the majority of its members were chosen from the local community, who included; local representatives of government, and people from different disciplinary backgrounds. This resulted in a program which was locally driven, client-responsive and targeted towards the diversification needs of the tobacco-growing regions.

The program had strong points in the sharing of financial risk by the applicant(s) and the government. During the 5 years, the Committee assisted with 137 projects out of a total number of 213 applications.

TDP project proposals were assessed in part on the additional number of people that could be employed, the replacement of imports and the increase of exports. Projects were required to include an engagement with the activities in the tobacco-growing region with a clear plan for future sustainability. It was the intention that program projects would not cause significant competition to existing businesses.

An evaluation of the program was conducted by Price Waterhouse Coopers in 1999. The evaluation focused on the effectiveness of the program. One of the weaknesses identified in the TDP program was that the delivery of program monies was often longer than anticipated, which led to a delay in the allocation of funds and a certain degree of frustration for the participants (Potts, 2007).

The results of the TDP program evaluation were reviewed by authorities from the state of Kentucky who were particularly interested in the criteria and guidelines of the initiative (Columbus, 2007).

After the completion of the TDP program, the tobacco sector in areas such as Norfolk County continued to face concerns about the future of their industry. A Tobacco Community Action Plan was developed, along with the 'Team Advising on the Crisis in Tobacco' (TACT). From the experience that had been fostered through various programs in the region, including a study called 'Alternative Enterprises for Norfolk, and based on an evaluation of the Alternative Enterprise Initiative (AEI) and the Tobacco Diversification Program (TDP), it was determined that future diversification programs should be;

- Administered locally within the community.
- Community-based with project selection decisions made by a multidisciplinary panel of local experts.
- Focused on the client's needs and project benefits, rather than fitting rigid program eligibility requirements.
- Supported by community-based extension, research and marketing experience (TACT, 2004).

Given the knowledge that was generated from these programs in Ontario's tobacco-growing regions, the CTP program was created within the context of a great deal of collective experience. Developing a system that incorporated various lessons learned

would serve to foster continued intelligence in future program design and delivery for organizations such as the OACFDC.

3.2 Economic Diversification and Transition Programs: Eastern and Northern Ontario

Ontario's economic development has evolved differently in various regions of the province. South-central and Southwestern Ontario have a unique history in comparison to Eastern and Northern Ontario. The resource economy in South-central Ontario being mostly industrial, manufacturing and service oriented, with Southwestern Ontario being a mix of industrial, manufacturing and agricultural. As in the tobacco sector in Southern Ontario, various communities across the province through the middle of the 20th century had grown dependent on a single commodity such as tobacco, forestry or mining.

The Federal Economic Development Initiative for Northern Ontario (FedNor) has played an important role in responding to economic challenges in Eastern and Northern Ontario through the administration of federally financed Community and Regional Development programs.

Eastern Ontario has developed the Eastern Ontario Development Program, with support from FedNor, to look at the specific economic development challenges for that region.

FedNor's Eastern Ontario Development Program (EODP) promotes socio-economic development in Eastern Ontario by creating, building and developing the necessary conditions to increase business and employment opportunities in the area. The EODP program is designed to assist economic renewal in five priority areas: business and community development, skills development, access to capital, retention and attraction of youth, and technological enhancements.

In Northern Ontario, FedNor, primarily through the Northern Ontario Development Program (NODP), is helping communities gain access to broadband services and eliminating barriers to the global marketplace. The popular Youth Internship Program is helping to train and retain young people in their home communities. By supporting trade, tourism, and business financing initiatives, FedNor and NODP are ensuring that Northern Ontario can excel in a knowledge-based economy.

The NODP invests in projects focused on one or more of the following six priorities; Community Economic Development, Information and Communications Technology (ICT), Innovation, Trade and Tourism, Human Capital, and Business Financing Support.

For Ontario, FedNor is the chief financial source for all Community Futures Development Corporations. In Northern Ontario it is through the NODP while Eastern Ontario has the EODP. The province of Ontario also has the Northern Ontario Heritage Fund Corporation, which is an agency of the Ministry of Northern Development and Mines. FedNor funding changed after 1996 and become more publically oriented, with

greater emphasis on community economic development rather than primarily focused on supporting the growth of private enterprise (FedNor, 2006).

3.2.1 Post-BSE Programs in Ontario

Although Ontario has not grown to be as highly specialized in the beef cattle industry as parts of Western Canada, the Ontario cattle sector was still significantly impacted by the BSE crisis that emerged in Alberta in the spring of 2003.

Programs were initiated immediately, from the federal-provincial BSE recovery program with \$184 million in Ontario provincial funds. Other programs by the provincial government included the Ontario BSE recovery initiative and the 2003 Advanced Ontario Agricultural Payment – Ontario Farm Income Disaster Program. Another major federal boost came with the Federal Transitional Industry Support Program, with \$930 million in support in March 2004.

These programs however, are distinctly different from the CTP in that they were largely intended to keep beef cattle producers in the same sector rather than make transitions to other agricultural commodities or to diversify their regional economy (Snively, 2007).

3.3 Economic Diversification and Transition Programs: Western Canada

One of the initial areas reviewed in relation to diversification programs was to see how the BSE crisis affected rural communities in Alberta. The beef cattle industry in Alberta suffered some of the most acute shocks following the border closures. In speaking with Community Futures Alberta, the programs that have been developed in response to the crisis have been predominately directed at compensating those in the beef industry, rather than encouraging diversification to other sectors. Indeed the majority of support has been most immediately channelled towards the larger feedlot operators (finishing operations) in the form of government payment programs, while actual support to ranchers has been minimal (Close, 2007). This tendency reflects a similar experience in Ontario as noted above.

3.3.1 Western Economic Diversification and Community Futures Alberta

The main organizational bodies that have handled diversification and community economic development in Alberta are the Western Economic Diversification Program and Community Futures Alberta, which is a provincial branch of the federal Community Futures Network.

One of the most dynamic and innovative CFDCs in Alberta is the West Yellowhead CFDC in the Hinton-Grand Cache area of Northwest Alberta. This is a region that has traditionally relied on the coal mining and forestry industry. Both of these sectors have been in decline, in the coal industry through mine closures, and in the forestry sector through the on-going softwood lumber trade disputes. Most recently in Western Canada, there is a growing threat of pine beetle infestation that could potentially

devastate large swaths of Canada's boreal forest. The combined effect on these rural communities has resulted in the efforts of local leaders to creatively garner attention for innovative community economic development in their region.

The West Yellowhead CFDC has been able to develop a partnership between Western Diversification Canada, Alberta Municipal Affairs and Alberta Economic Development to bring about the creation of the Socio-Economic Diversification Project. The initiative brought together various stakeholders and community leaders to formulate a strategy for diversification (Pan-Canadian Community Futures Group, 2004, 18).

3.3.2 Community Futures Development and Diversification Programs in British Columbia

Community Economic Adjustment Initiative (CEAI)

In 1997, eleven coastal CFDCs in BC joined forces to assist their communities in dealing with the dramatic changes in the salmon fishery. The Fisheries Legacy Trust (FLT) aimed to develop and implement strategies and programs that would strengthen coastal communities. The FLT enabled financial resources to be channelled to BC CFDCs through the Department of Western Economic Diversification.

The Community Economic Adjustment Initiative (CEAI) was created in January 1999 with \$13.3 million in federal funding allocated to the Fisheries Legacy Trust. An additional \$ 7 million was contributed by the Department of Fisheries and Oceans. The goal of the CEAI was to encourage long range and sustainable community economic development by diversifying out a dependency on the salmon fisheries sector.

Projects for the CEAI needed to create opportunities in diversifying the local economy. The applications could come from private businesses, NGOs, industry associations, or local governments. As part of the eligibility criteria projects needed to demonstrate strong community support, including tangible and direct results. Projects that encouraged community partnerships in 'hard hit' coastal communities' could be particularly supported.

The delivery of the program was managed through a Steering Committee with assistance from the coastal CFDCs. Coordinators and outreach workers at the CFDCs helped develop and screen projects through an initial concept and then a full proposal. The CFDCs would forward recommended projects to the CEAI Steering Committee (that included mayors, community representatives, First Nations people, and provincial and federal representatives) for quarterly decision-making on project approvals. In total, \$19.4 million was supported through 101 projects (GSGislason and Associates, 2002).

In the evaluation of the CEAI, (and other BC coastal adjustment programs), it was recommended that a Phase II of the CEAI continue. The new program would provide non-repayable contributions only. It was recognized in the evaluation that community infrastructure projects would be in greater need of financing than business projects. The

narrower focus of a Phase II CEAI would distinguish this program from that of the Phase I CEAI. Indeed, as of October 2006, the CEAI Phase II is planned to be implemented along the lines of what was recommended in the evaluation (GSGislason and Associates, 2002, 67).

Softwood Industry Community Economic Adjustment Initiative (SICEAI)

In October of 2002, the Minister of Natural Resources Canada, Herb Dhaliwal, announced federal funding in support of a two year, national softwood lumber adjustment package totalling \$246.5 million. Federal assistance also included an additional \$110 million for the Softwood Industry Community Economic Adjustment Initiative (SICEAI), aimed at supporting economic development and diversification in directly impacted rural communities (Western Diversification, 2003). The experience of the CEAI in British Columbia with the coastal communities formed the framework for projects in the softwood lumber industry and its affected communities.

The SICEAI was developed to encourage BC's forestry dependent communities to diversify out of an industry drastically impacted by distorting trade tariffs imposed by the US on Canada's softwood lumber. Program objectives include; local and regional, forest-based strategic investments in diversification initiatives with long term benefits, and transitions away from traditional forest-based dependency to alternative economic activities. Projects would need to demonstrate the following principles: diversifying the local economy, long-term benefits, sustainable development, community stakeholder support, leveraging of private and public program funding, and environmentally sound practices in line with provincial and federal policies. NGOs, businesses, Crown Corporations and aboriginal organizations could apply for support (Western Diversification, 2003, 3).

3.4 Economic Diversification - Transition Programs in the United States

An historical turning point for tobacco-dependent rural communities in the United States came with the Master Settlement Agreement (MSA) that was signed in November 1998 between the major tobacco companies and 46 states. The agreement has two phases. Phase 1 of the MSA intends to allocate a total of \$206 billion over a 25 year timeframe. Each state has the authority to distribute Phase 1 funds according to their specific legislative priorities. Of the largest tobacco-producing states, plans have been developed to allocate up to 75% of their funds to economic development projects and programs.

The focus on developing state programs for community economic development can provide substantial resources to help transitioning tobacco-producing communities develop new on-farm and off-farm enterprises. Programs in different states have ranged from grant and loan funds for water, sewer and other industrial infrastructure to small crop agriculture and small business development technical assistance grants. Proposals have included education grants for tobacco farmers and their dependents, a \$500 million worker retraining program for workers employed in manufacturing, wholesaling,

or warehousing tobacco; block grants to States for development of agricultural alternatives; on-farm diversification; risk management; and off-farm economic development in tobacco-growing areas.

Many of the tobacco-growing states have relied on studies of rural capital markets to assess program criteria, especially since banks and lending agencies can tend to be cautious about lending money for new, unfamiliar rural business development.

Assistance in the form of guaranteed and direct loans, grants, and technical assistance has been available through the US Department of Agriculture's Rural Business-Cooperative Service and Rural Utilities Service. Programs in numerous states are recognizing the need for farmers and workers to develop new skills and education in other sectors of the agricultural and rural economy.

A model for assisting economic development in tobacco communities has been the national Community Adjustment and Investment Program. This program provides credit through a partnership between USDA's Rural Business-Cooperative Service and the North America Development Bank to rural businesses in US communities that have experienced significant job losses due to changing trade patterns under NAFTA (USDA, 2001).

Numerous programs across the tobacco growing regions have gained valuable knowledge about the challenges of transitioning from a single crop commodity such as tobacco. There is a growing sense that education, technical assistance, business planning and human capacity development in the form of learning and information centres continues to provide the on-going monitoring and progress reporting required over a long timeframe. Finally, being able to leverage local, state and federal level economic and business development program funds has proven most effective (USDA, 2001).

An example of this is the National Tobacco Grower Settlement Trust. This organization was created by separate agreement with the major tobacco manufacturers to fulfill an obligation to address concerns of tobacco farmers and tobacco-growing communities. The agreement applies only to 14 tobacco-growing states. Chase Manhattan Bank serves as Trustee of this private trust which will distribute \$5.15 billion over twelve years, with approximately \$25 million being distributed the first year to tobacco producers, quota holders, and others who may qualify.

Of the tobacco growing states, North Carolina, Virginia and Kentucky have undertaken some of the most innovative transition programs, and are highlighted below.

3.4.1 The Virginia Tobacco Indemnification and Community Revitalization Commission

The Tobacco Indemnification and Community Revitalization Commission is a 31-member body created by the 1999 General Assembly. Its purpose is to make payments to farmers to compensate for the decline of tobacco quotas and to promote economic growth and development in tobacco-dependent communities. The Commission is also tasked with undertaking studies and gathering information and data in order to determine the economic consequences of the reduction in quotas, the potential for alternative cash crops, and any other matters the Commission believes will affect tobacco growers in the state of Virginia.

The Commission has seven streams of funding for tobacco diversification programs, these include; Economic Development, Special Projects, Agribusiness, Tobacco Region Opportunity Fund, Education, Technology and Small Business Financing (Virginia Tobacco Commission, 2001).

3.4.2 Kentucky - Economic Diversification Programs for Tobacco-Dependent Communities

For the state of Kentucky the primary organizational body responsible for managing programs in tobacco transitioning and diversification has been the Kentucky Agricultural Development Board (KADB). The KADB was created by the 2000 Kentucky General Assembly in response to the major changes to the tobacco sector in the state of Kentucky. The Board serves to distribute 50% of the state monies received from the Master Settlement Agreement for the general purpose of agricultural development in Kentucky.

The KADB is investing these funds in innovative proposals that increase net farm income and effect tobacco farmers, tobacco-impacted communities and agriculture across the state by stimulating markets for Kentucky agricultural products, finding new ways to add value to Kentucky agricultural products, and exploring new opportunities for Kentucky farms.

The board is committed to a goal of long-term planning for agricultural development. Projects and programs that advance these goals are given top priority. The KADB fosters clusters of a particular type of activity, large enough to be economically viable and support the infrastructure necessary for the success of the program. The objective of the Board is to develop self-sustaining programs; therefore, the Board will not support long-term subsidy of production. The Board prefers capital investments. Business plans must provide for the eventual elimination of assistance in these areas. Programs that enhance the viability of young farmers and part-time farmers in agriculture are being actively encouraged.

A summary from the 2006 Annual Report of the Kentucky Agricultural Development Fund demonstrates that since the KADB inception a great deal has been accomplished. Kentucky's agricultural diversification program has invested over \$212 million in state agricultural development over six years with close to \$40 million in the 2005-2006 fiscal year alone. The state program works closely with county level agricultural development councils, extension agents, model program administrators and many volunteers (Governor's Office on Agricultural Policy, 2000).

3.4.3 North Carolina Tobacco Diversification Programs

North Carolina's share of the \$206 billion in transfer funds as a result of the MSA is estimated to be approximately \$4.6 billion over 25 years. These funds are often referred to as Phase I monies.

The NC General Assembly created three different programs to distribute the State's Phase I funds. The Golden LEAF Foundation, a non-profit corporation, receives 50% of the Phase I funds and makes grants for economic development in tobacco dependent communities. The Health and Wellness Trust Fund, a State agency receives, 25% of the Phase I funds and makes grants for health-related programs. The remaining 25% is allocated to the Tobacco Trust Fund Commission.

The Tobacco Trust Fund Commission (TTFC) was created in 2001 to assist tobacco farmers, tobacco quota holders, persons engaged in tobacco-related businesses, individuals displaced from tobacco-related employment, and tobacco product component businesses in the State. The TTFC can disburse funds through compensatory programs and qualified agricultural programs.

A total of 18 TTFC Board members are appointed by government officials and financial matters are administered by the state treasury. The TTFC remains independent, and provides annual reports to the state regarding its programs.

The TTFC has approved grants totalling \$2.9 million for 13 projects aimed at stimulating the economy in parts of the state where tobacco farmers and tobacco workers have lost jobs and are facing economic difficulty. North Carolina actually has the most tobacco acreage of all the tobacco states. The TTFC has also provided support to conduct research and educational programs aimed at assisting North Carolina tobacco dependent communities to better their economic situations (North Carolina Tobacco Trust Fund Commission, 2002).

Project proposals under the granting guidelines must address the following goals: alleviate unemployment in the tobacco-related sector's of the state's agricultural economy, preserve and increase the local tax base in agricultural areas, encourage stability of the agricultural economy, optimize use of natural resources and overall promotion of the public good by supporting and fostering vitality for the state's agricultural economy.

Those eligible to receive program grants include; agencies and departments of the state, local governmental units, agencies and departments of the federal government and members of the private sector, including NGOs.

What distinguishes the TTFC from other states and to a certain extent from the CTP program in Southern Ontario is the direct and explicit emphasis on support for the agricultural economy in North Carolina.

3.5 Conclusions

In reviewing the various economic transition programs outlined above, there are a number of important features that stand out and are relevant to program delivery for OACFDC and for projects in the former tobacco-growing regions of Southern Ontario.

Many of the programs promote the use of community representatives, local experts and community based organizations in the project selection process. Programs also support the use of local organizations in carrying out administrative duties in developing and implementing programs. Both of these features were incorporated in the CTP program with considerable success (see Chapter 5).

The role of community-based extension and research and marketing is also recognized as an important component of economic diversification programs. These elements were promoted in the CTP program through the information requirements in the project application and through the use of OMAFRA specialists and independent market assessment consultants.

Many of the programs recognize that economic opportunities can be developed through a variety of community stakeholders including private businesses, not-for-profit organizations, industry associations, and local governments and it was common practice for programs to promote eligibility criteria that could accommodate multiple stakeholder groups. In the CTP program community representatives on the Project Approval Committee identified the key role of small businesses and sole proprietors in rural economic development and ensured that this group was included along with corporations, partnerships, not-for-profit organizations, and municipalities as eligible candidates for the program.

The literature also recognizes the value of supporting education and human resources retraining as part of an economic diversification program and the CTP program includes educational/social service institutions as eligible program candidates.

In the case of at least one program, funding principles have been expanded to include the promotion of environmentally sound initiatives. This is a principle that could take on greater importance in light of growing public and government interest in all matters related to the environment.

4.0 EVALUATION DESIGN AND PROCESS

The focus of this report is on Phase 1 of the CTP evaluation which involves a process evaluation. A process evaluation documents and analyzes the early development and actual implementation of the program and assesses the extent to which the program operated as intended.

A thorough process evaluation includes the following elements:

- A description of the program operating environment and organizational structure during the planning and implementation phase.
 - Significant changes in the environment and organizational structure should be documented to help determine if similar results may be expected in other settings/communities or if the results are site specific.
- A description of the process that was used to design and implement the program.
 - A clear description of the design and implementation process is required to understand the tasks to be performed and the level of effort. This includes a description of the interaction among stakeholders, the extent of participation, and the type and level of training provided to stakeholders. This information will assist other/future organizations in replicating the process.
- A description of program operations/activities including any changes in the program and what worked or failed to work. Questions to consider include:
 - What types of problems were encountered in developing and implementing the program? How were the problems resolved?
 - Have all of the planned activities been implemented and if not, why not and what remains to be completed?
 - Were the program design and implementation activities/tasks completed on schedule? If not, why and how was the schedule revised?
 - Were any new objectives added to the program and if so, why?
 - What costs were incurred during the planning and development phase of the program? Were the costs over/under/on target relative to projections?
 - Were there any unexpected positive or negative results during the development and implementation of the program?
 - What lessons were learned that could be applied to other/future programs?
- A description of any intervening events that may have impacted the implementation of the program.
 - Community programs operate in continually changing environments and where possible intervening factors should be identified (e.g. other programs operating in the community, changes in government policy, etc.)

A variety of data collection methods were used as part of the Phase 1 Evaluation of the Community Transition Program including a document review and key informant interviews with CTP stakeholders. Combining different approaches is useful in triangulating results. The concept of triangulation is based on the assumption that any bias inherent in particular data sources, investigator, and method will be neutralized when used in conjunction with other data sources, investigators, and methods.⁶

As a first step in the evaluation, a program logic model (PLM) for the CTP program was developed. The PLM provides a “picture” of the logical cause and effect relationships among four program components: inputs, activities, outputs, and outcomes.

- *Inputs* are all the resources which contribute to program activities.
- *Activities* are descriptions of the day-to-day work of the program staff and stakeholders/program delivery agents identified under *Inputs*.
- *Outputs* are indications of activities completed.
- *Outcomes* are *Results* and indicate changes taking place in program beneficiary groups.

The logical relationships can be understood as follows. The inputs must be made available if the activities are to be done. Activities must be completed for the outputs to be produced. Outputs must be produced and used if the outcomes are to be realized. Outcomes must be realized and sustained in the long term for impacts to be experienced.

The PLM was developed through a review of CTP program documents including:

- CTP contract between MMAH and OACFDC
- CTP Annual Reports – 2005 and 2006
- CTP Administration Plan
- CTP Program Guidelines
- CTP Media Releases
- CTP Application Guidelines
- CTP Funding Direction Letter
- CTP Letter of Agreement
- CTP Approved Budget – Year 1, 2 and 3
- PAC Terms of Reference
- PAC Memorandum of Understanding
- PAC Guidelines for Policies and Procedures

The PLM was further refined using information obtained through key informant interviews with administrative stakeholders (see Table 2).

The detailed PLM for the CTP program is presented in Appendix B.

⁶ A survey of CTP recipients will be conducted as part of the Phase 2 Impact Evaluation to be completed by December 2007.

A brief literature review was also prepared to provide context for the CTP program in relation to previous programs in the region and to gain insights on the issues/challenges/outcomes associated with transition programs in other jurisdictions (see Chapter 3).

Key informant interviews were conducted with 17 stakeholders with linkages to the development and delivery of the CTP program. Interview guides were prepared for the different stakeholders and shared with the CTP Regional Coordinator for review.

The purpose of the key informant interviews was to collect information from the perspective of different stakeholders on the process used to develop the CTP program and assess the extent to which the program operated as intended and any related challenges. This included a review of:

- the organizational structure of the program
- the roles and relationship between the different stakeholders
- the process followed for developing the programs goals and guidelines
- the recruitment and selection process used for PAC members
- the development of the funding criteria and categories and the project assessment guidelines
- the development of the application process and related forms
- the process used to handle conflict of interest issues
- the process used to determine market impact and whether due diligence was carried out in reviewing the projects

The stakeholders were selected to provide representation across all of the CTP administrative bodies and the four counties. Some of the stakeholders participated in the program in more than one capacity. For example, several stakeholders participated as CTP Steering Committee Members and went onto participate as Ex-Officio members with the Project Approval Committee. The interviews were conducted between May 10 and June 11, 2007. A total of 12 interviews were conducted by telephone and 5 were conducted in face-to-face meetings. Feedback was also provided by a local business owner who wanted to share their input on how the project approval process could be improved.

Insights into the program were also gained through a review of the contract between MMAH and OACFDC, CTP related minutes from OACFDC Board meetings, CTP Steering Committee meeting minutes, and PAC meeting minutes.

Table 2: Stakeholders Interviewed During Phase 1 Evaluation

Project Approval Committee	
Ken Sheppard	<ul style="list-style-type: none"> • President, Ontario Association of Community Futures Development Corporations • CTP Steering Committee • PAC Chair
Stan Symons	<ul style="list-style-type: none"> • Brant County Community Representative
Neil Bossuyt	<ul style="list-style-type: none"> • Elgin County Community Representative
Grant Russell	<ul style="list-style-type: none"> • Norfolk CFDC Board Member
Lynn Buchner	<ul style="list-style-type: none"> • Oxford County Community Representative
CTP Staff	
John Klunder	<ul style="list-style-type: none"> • Regional Coordinator
Richard Gilbert	<ul style="list-style-type: none"> • Project Officer, Brant and Norfolk Counties
Anne Kenny	<ul style="list-style-type: none"> • Project Officer, Elgin and Oxford Counties
Ministry Officials	
Kim Wingrove	<ul style="list-style-type: none"> • Ontario Ministry of Municipal Affairs and Housing • CTP Steering Committee • PAC Ex-officio
Katherine Turner	<ul style="list-style-type: none"> • Industry Canada • PAC Ex-officio
OACFDC and CFDC Officials	
Diana Jedig	<ul style="list-style-type: none"> • Executive Director OACFDC • CTP Steering Committee • PAC Ex-officio
Helen LeFrank	<ul style="list-style-type: none"> • General Manager, Elgin Community Futures Development Corporation • CTP Steering Committee
Gordon Potts	<ul style="list-style-type: none"> • General Manager, Norfolk District Business Development Corporation • CTP Steering Committee
Lance Pickering	<ul style="list-style-type: none"> • General Manager, Oxford Small Business Support Centre
Cindy Swanson	<ul style="list-style-type: none"> • General Manager, Enterprise Brant • CTP Steering Committee
Other Stakeholders	
James Farrar	<ul style="list-style-type: none"> • Independent Consultant, Jayeff Partners
Mike Columbus	<ul style="list-style-type: none"> • New Crop Development Specialist, OMAFRA

5.0 RESULTS

5.1 Program Rationale and Purpose

The CTP program was initiated by the Ministry of Municipal Affairs and Housing (MMAH) in response to several related factors including the government commitment to a 'smoke-free' Ontario; the recent rapid decline in demand for Ontario leaf-tobacco and the expectation that demand would continue to decline; the economic crisis for leaf-tobacco producers and communities brought on by the decline in demand for leaf-tobacco; and the need to assist these communities in moving to a sustainable economic base.

The specific scope of the CTP program as defined by MMAH was to assist tobacco-growing communities move to a sustainable economic base by funding cost-shared proposals that will help diversify the local economy, have tangible and sustainable economic benefits (such as job creation), have community support, leverage other private or public funding, and encourage partnerships and regional approaches.

The catchment area for the program as defined by MMAH includes Brant, Elgin, Norfolk and Oxford Counties where 94% of Canada's total tobacco production is concentrated.

The province was interested in contracting the program through an organization which could represent regional and community interests in the tobacco-growing area. Other organizations were considered such as the Ontario Flue-Cured Tobacco Growers' Marketing Board (OFCTGMB) and local municipal governments but the province wanted an organization that could establish and support funding criteria that were in line with the objectives of the Ministry and ensure that the broader community interests were served by the fund. The province decided to go with OACFDC given its history of supporting community economic development in rural communities and its established infrastructure/presence with local CFDCs in the tobacco-growing region.

Other important aspects of CFDCs as recognized by the province includes their knowledge of their communities, especially rural areas; their experience in delivering economic development programming; and their experience in leveraging funds to maximize community benefit (the province recognized that the CTP funding could be used as seed funding for expanded projects).

In late March 2005, MMAH approached OACFDC and asked the organization if it could enter into an agreement with the province by March 31 to administer the CTP program. From the perspective of OACFDC, the CTP program presented a number of challenges that had to be worked through in the early stages of the program. The first challenge was the short timeline that OACFDC was given to respond to the MMAH proposal which limited the degree of discussion and review for OACFDC stakeholders. OACFDC stakeholders also felt pressure to accept the proposal as MMAH was prepared to withdraw the funding entirely if OACFDC was unable or unwilling to administer the program.

OACFDC Board members met and discussed the capacity and preparedness of OACFDC for developing and delivering the CTP program. The Board also discussed the suitability of OACFDC taking on the role of administering the program and whether the role was better suited to the individual CFDCs in the impacted communities. Consideration was also given to potential liability issues and possible impacts on other initiatives being explored for Southern Ontario CFDCs.

Other factors that were examined by OACFDC included the structure and function of PAC, the issue of OACFDC and the local CFDCs being compensated for the administration and delivery of the program, the importance of OACFDC and the local CFDCs maintaining their good relationship with Industry Canada/FedNor while working with MMAH, the importance of the CTP program not having an impact on any of the current services offered by the OACFDC, and the experience of similar adjustment programs delivered in British Columbia and Manitoba which accessed regional agency infrastructure.

After several discussion sessions which included presentations from the four CFDCs and a question and answer session with MMAH, the OACFDC Board determined that the CTP program was a good fit for OACFDC, particularly with its strong emphasis on community economic development and the potential for OACFDC and its affiliated CFDCs to be presented with similar opportunities in the future. On March 31, 2005, OACFDC entered into a contract with MMAH to accept a one-time \$15 million grant to be used to implement the CTP program for Ontario's Tobacco-Growing Region by the Brant, Elgin, Norfolk, and Oxford CFDCs.

5.1.2 Program Purpose

Program stakeholders were asked to identify what they viewed as being the main purpose of the CTP program. The following results reveal that program stakeholders shared similar views that were consistent with the Ministry goals.

The four CFDCs identified economic diversification as the main purpose of the CTP program. This consisted of both agri-related diversification and diversification in other economic sectors. CFDCs also emphasized the importance of establishing a community based decision-making process for determining the funding criteria and assessing which projects to fund. It was suggested that the program would have a balloon affect on the local economy with respect to stimulating business ideas and creating local employment opportunities in different economic sectors.

Economic diversification was also identified as the main purpose of the program by PAC and Ex-Officio members. Program stakeholders wanted to create employment through the projects and ensure that the community had input in the process to ensure broader community impact. Incorporating OACFDC and local CFDCs as part of the delivery model was viewed as a good fit for the program as regional staff in the CFDCs had knowledge of the local economic situation, were experienced with handling money, and

were bound by federal guidelines. Establishing an easy application process was also of great interest to PAC in order to minimize the demand/workload on entrepreneurs.

CTP staff also identified economic diversification as the main purpose of the program. CTP staff noted that the \$15 million fund was never intended to solve all of the economic problems facing the tobacco-growing region but could assist in helping communities transition to other business activities. It was noted that diversification within the agricultural sector was not the only focus of the program and that non agri-related businesses were also eligible. The CTP program was also viewed as an opportunity to deliver a community based economic development initiative that featured a simple and straight forward application process and promoted local engagement in the project approval process.

5.2 Program Effectiveness

This section of the report examines the process used to develop and deliver the CTP program and the effectiveness of the approach from the perspective of the different stakeholder groups including:

- OACFDC, CFDCs, and the CTP Steering Committee
- CTP Staff
- Project Approval Committee and Ex-Officio members

A summary assessment of program operations and activities is presented for each stakeholder group.

5.2.1 OACFDC, CFDCs, CTP Steering Committee

5.2.1.1 CTP Program Development

Once the contract was signed between MMAH and OACFDC in March 2005, the General Managers from the four CFDCs and representatives with MMAH, OMAFRA and OACFDC started meeting to discuss the scope of the program. In early May 2005 it was decided that this group would constitute the CTP Steering Committee and would focus on the initial development of the program until the Project Approval Committee was established.

Program Guidelines/Procedures

From April to August 2005 the CTP Steering Committee met several times a month to begin the preliminary work on developing the CTP program goals, guidelines and procedures. The administration plan for the program was also developed during the early part of this process.

The Steering Committee examined a number of other funding programs for guidance on incorporating best practices in the CTP program. This included the Ontario Trillium

Foundation, the CanAdvance Program (Agricultural Adaptation Council), and the Ontario Rural Economic Development Program (RED). A number of different features were examined in each program including vision and mission statements, program guidelines, granting principles and priorities, eligible sectors, types of the grants and funding limits, ineligible costs/activities, assessment criteria, application procedures, review process, funding contracts, and the use of supporting electronic documents (e.g. program guidelines, application forms, etc.).

The above resources were found to be very helpful in developing the CTP guidelines and procedures and support materials. The application form and guideline book from the RED program was particularly useful in establishing CTP program materials.

As a way to “kick-start” discussions on defining the scope of the CTP program, the Steering Committee reviewed the industry recommendations that came out of the Tobacco Community Action Plan - TCAP (Norfolk at the Crossroads, March 2004) and it examined a number of ideas that were brought forward by the Norfolk Economic Development Committee. Some of the initial program principles that were discussed included establishing a viable agricultural economy (e.g. food processing and marketing), building community capacity (e.g. industrial capacity, technical skills in the agricultural sector, training skills), expanding tourism (e.g. agri-tourism, eco-tourism), enterprise diversification (e.g. tobacco and other businesses), institutional catalyst (e.g. non/profit/community to help with transition issues), and human capacity (e.g. certification, training, support – counselling).

The CTP Steering Committee also received direct input from the Ontario Flue-Cured Tobacco Growers' Marketing Board (OFCTMGB) which identified a number of community needs and priorities including funds to assist the community as well as agricultural based producers during the transition, funds to assist/promote economic diversification and value added production, and supporting businesses (individuals) and community projects that develop jobs.

The four CFDCs were satisfied with the process used to develop the preliminary CTP guidelines and emphasized that they were provided with opportunities to provide input on the development of the guidelines. The completion of the program guidelines and other supporting materials in such a short time frame was recognized as a significant achievement. However, it was suggested that the process would have benefited from more opportunities to review and share lessons learned/outcomes from other programs.

It was also suggested that the CTP program would have benefited from developing a program logic model (PLM) at the start of the development phase to help identify and define the program resources and activities and the desired outcomes. It was noted that this process would have helped the group in identifying more detailed performance indicators and a narrower/better defined set of criteria for assessing projects. It was also suggested that a PLM would have helped to streamline some activities and the audit process rather than having some activities evolve over time.

Many of the program stakeholders suggested that more time would have been helpful during the development phase to incorporate some of the ideas noted above.

Program Organizational Structure

The Steering Committee played an important role as a catalyst in developing the administrative structure and getting the program going.

However, the CFDCs were split on their impressions of how well the organizational structure of the program worked. It was generally recognized that the program experienced some 'growing pains' in establishing the administrative plan. This was often linked to the short timeline that was provided to set up the program which resulted in problems in gaining a common understanding of the program and how the different administrative bodies would relate to each other. It was suggested by one representative that more time for developing the structure would have been helpful in enabling CFDCs to clearly define their role and relationship with the other administrative bodies.

Brant CFDC had ongoing concerns about potential liability and public perception of the contract. Brant noted that opportunities were provided to provide input into the development of the program but the process seemed rushed which caused some doubts about the program. Brant also recognized that it was transitioning faster out of the tobacco sector than other communities in the tobacco-growing region. Brant CFDC eventually transferred its administrative duties (i.e. processing and monitoring project contracts) to Norfolk CFDC but maintained its CFDC and community representation on PAC.

It was suggested by one Steering Committee member that the Committee should have met directly with each of the CFDC boards at the outset of the development phase to formally introduce the CTP program, the role of OACFDC and the CFDCs, and respond to questions.

There were also some concerns from OACFDC Board members about the amount of decision making authority that rested with PAC and the implications of a 'bad decision' by PAC and how it would reflect on OACFDC.

Once the CTP program was implemented and began to share some of the success stories it was reported that other CFDCs became interested in pursuing similar opportunities. The CTP program demonstrated to other CFDCs that the arrangement could work.

Program Finances and Reporting

During the development phase of the CTP program, OACFDC placed \$300,000 of the \$15 million fund in an interest only bank account to cover administration costs for the first six months of the program and placed the remainder of the fund in term deposits. The interest income that was generated from the term deposits ultimately covered a

substantial amount of the total program administration fees and delivery expenses (additional details are provided in section 5.5 of this report). It was noted that this transaction also resulted in significant benefits for a local Credit Union which handled the term deposits.

From the very beginning of the development phase of the program, the CFDCs were interested in establishing a transparent accounting system for the program which would enable the community and funders to track the flow of funds. All program recipients were listed on the CTP website along with the amount of funds they received. This information was also shared through media releases which were picked up by local newspapers.

The program accounts went through two sets of audits: an annual CTP audit and the audits conducted by the individual CFDCs.⁷

In general, the accounting system for the program was viewed to be more complex and time consuming than it needed to be. Each of the CFDCs and the OACFDC maintained their own program account and the accounts were merged to produce a CTP account. There was a feeling that the program was being over administered from a financial/accounting standpoint and time was lost having to produce four reports that were ultimately consolidated to produce a single program report. It was suggested that using a single agency (e.g. OACFDC or a designated CFDC) to manage all of the accounts would be a more efficient approach. It was also noted that the turn around time for CFDCs to be reimbursed for expenses was slow as the process was dependent on PAC first approving CFDC expenses and then OACFDC releasing the funds.

Under the agreement with MMAH, the CTP program was required to provide semi-annual reports showing expenditure reconciliation and progress in relation to program development and implementation. It was noted that some reports were delayed due to the workloads experienced by CTP staff.

Program Schedule

In June 2005, the CTP Steering Committee envisioned that the development phase of the CTP program would rollout according to the schedule presented in Table 3. It was projected that PAC would start reviewing projects in September 2005 and CTP funds would start to flow to projects by October 2005. However, additional time was required to review other programs, develop the preliminary program guidelines and procedures, conduct the public input sessions, and recruit PAC members. Although PAC started meeting in August 2005, the program guidelines were not finalized by PAC until mid October 2005 and the first projects were approved for funding in January 2006.

⁷ The 2005 CTP Audit was prepared by Kenter, Kelly and Wilson Chartered Accountants, St. Thomas, Ontario. The 2006 CTP Audit was prepared by Kee, Perry and Lassam Chartered Accountants, St. Thomas, Ontario (which acquired the firm of Kenter, Kelly and Wilson in 2006). This firm did the audits for the four CFDCs as well.

Table 3: Initial Schedule for CTP Program Rollout

CTP Activity	Timing
Contract signed and funds received	March 31, 2005
CTP task force appointed	April 20
CTP task force consultations	April and May
OACFDC Board approval of organizational chart	May 25
CTP task force engages employment agency	June 7
CTP communities hold forums	May and June
PAC committee formed	July 15
MOU signed with each CFDC	July 15
Regional Coordinator hired	August 15
Local coordinators hired	August 30
PAC reviews and approves projects	September
MMAH report	September 30
Funding flows to projects	October 2005

The role of the CTP Steering Committee and CTP staff in preparing and refining the draft program guidelines and procedures was an important factor in the program being implemented as quickly as it was. This advance work was greatly appreciated by PAC members when it came time to review and approve the guidelines.

5.2.1.2 CTP Program Delivery

It was originally intended that the CTP Steering Committee would be dissolved once CTP staff were hired and PAC became operational. However, within a month or so of the program being implemented, the Regional Coordinator requested that the Steering Committee be re-established to provide on-going guidance as needed.

It was noted that the workload varied over the course of the program and that CTP staff and CFDCs encountered a fairly intense workload during the early months of the program as “a flood of applications” came in. As projects were approved the amount of time required for processing contracts with CFDCs also increased. As a result it was noted that some recipients experienced wait times of 4-6 weeks.

Steering Committee members and CFDCs generally thought the program came together well considering how quickly OACFDC had to respond to the initial request from MMAH to develop and implement the program. The CFDCs felt the program came very close to the model in supporting the three funding categories although the outcome revealed less community interest in projects related to Human Capacity for Change and Community Capacity for Growth. CFDCs also thought the program was well managed and generally well received in the community.

5.2.1.3 Summary Assessment

With the signing of the contract with MMAH on March 31, 2005, OACFDC moved quickly to establish the CTP Steering Committee to oversee the development of the

program. While representatives from the local CFDCs were included on the Steering Committee it appears that more time/resources could have been dedicated to ensuring that the CFDC Boards had a clear understanding of the role of CFDCs in the program. The lack of clarity in this regard and concerns of the public perception of the program contributed to the decision by the Brant CFDC to transfer its administrative duties to the Norfolk CFDC. Fortunately Brant maintained its CFDC and community representation on PAC and PAC continued to operate with its intended structure (i.e. a CFDC and community representative from each county).

Rather than working from a ready-made service delivery model, OACFDC was given latitude to develop its own model based on the general program parameters provided by MMAH (e.g. scope of program, Project Approval Committee, accountability measures, reporting requirements) and program elements adapted from models used elsewhere (e.g. program funding principles and criteria, application procedures, program staffing). The intense effort of CTP Steering Committee members, CTP staff and PAC members between April and October 2005 ensured that the program was operational by November 2005.

However, the development of the program took a couple months longer than initially envisioned by the CTP Steering Committee as more time was required to review other programs, develop the preliminary program guidelines and procedures, conduct public information sessions, and establish PAC and finalize the program guidelines. Even with the additional time to develop the program it was still necessary for PAC to introduce several refinements to the program during the early implementation phase (e.g. enhanced conflict of interest guidelines, revised in-kind contribution guidelines, prioritizing time sensitive applications). One area of the program that required more attention was the development of a formal complaint process and guidelines for responding to complaints.

Another area for improvement is the accounting procedure that was used for the program. The participating CFDCs used different accounting formats and financial reports which produced some inefficiencies in preparing the program financial reports.

One of the key adaptations of the CTP program was bringing back the CTP Steering Committee during the implementation phase of the program. The committee served an important role in providing ongoing guidance to CTP staff over the course of the program.

Initially it was determined by the province and OACFDC that the program would extend over two years including the time required to develop the program. However, the contract between MMAH and OACFDC provided some flexibility in extending the program if the funding was not exhausted by March 31, 2007. This proved to be an important feature of the working arrangement between MMAH and OACFDC as additional time was required to develop the program and once the program was implemented there were three occasions when PAC meetings were postponed to enable CTP staff to catch-up on processing project contracts.

5.2.2 CTP Staff

5.2.2.1 CTP Program Development

CTP staff were generally satisfied with the process used to develop the program guidelines and procedures. However, given that the Regional Coordinator was hired at the end of August 2005 and the two Project Officers were hired in October 2005, CTP staff noted it was a challenge to have all of the necessary materials in place by November 8, 2005 for the program launch. Although CTP staff would have liked more time to prepare, they were aware that as many as 70 people were waiting for the release of the applications by November 2007 and wanted to move forward.

CTP staff believed the organizational structure worked well. It was noted that PAC was modelled to some extent on CFDC boards with respect to the blend of community and institutional representation. CTP staff recognized the Steering Committee and CFDCs for the excellent work they did in recruiting PAC members who had a range of business and community experience from across the four counties. It was noted that the diverse backgrounds of the PAC members and their enthusiasm to thoroughly review and discuss each project was key to how well PAC performed.

Program budgets were prepared by the Regional Coordinator with input from the CFDCs and OACFDC who provided their estimated administration costs for the program. The inclusion of the CFDCs in this process was crucial in ensuring that costs were accurately projected. The previous work experience of the Regional Coordinator in developing and managing budgets was an important asset in assessing the value and accuracy of budgets. The Regional Coordinator was able to provide guidance to PAC in reviewing and approving the budgets.

5.2.2.2 CTP Marketing and Promotion

CTP staff put an intensive effort into promoting the program. Public information sessions, meetings with local councils, and media releases were all used to raise awareness about the program.

The first public information event involved a community input meeting which was conducted on June 7, 2005 in Delhi. This session was used to share some of the preliminary program design features with the public and invite their feedback. About 75 people attended the session representing three stakeholder groups: tobacco growers, agricultural producers in general, and the general community.

CTP staff developed all of the marketing and promotional materials with some assistance from a graphic designer to design the CTP logo. These materials and all of the promotional activities such as public information sessions were approved by PAC before they were launched. CTP promotional materials were made available in the local CFDCs. The CTP program also had a 1-800 information line.

The formal launch of the CTP program took place at a public information session on November 8, 2005. A total of 69 people were in attendance for the launch. Follow-up information sessions were conducted in each of the four counties as follows:

- Norfolk – Nov. 16 (110+ attendees)
- Brant – Nov. 17 (9 attendees)
- Elgin – Nov. 22 (40+ attendees)
- Oxford – Nov. 28 (30+ attendees)

Detailed program information including downloadable program guidelines and applications was also made available online through the CTP website. The only issue that arose with the electronic application was a formatting problem which sometimes altered the layout of the application when information was entered in the data/information fields.

The Project Officers made an effort to provide the media with stories about projects and these tended to be covered very well in Norfolk but there was considerably less media interest in Elgin and Brant. CTP staff noticed early on that relatively few inquires were coming from Brant. This was partly expected due to the smaller size of the tobacco industry in Brant relative to the other counties. It was also recognized that Brant had other economic development activities taking place or opportunities that were being explored which may have reduced the amount of interest in the CTP program. At a minimum, CTP staff wanted to ensure that tobacco producers and communities in Brant were made aware of the program and they conducted a more extensive marketing campaign in Brant.

CTP staff believe the marketing effort was sufficient in that they received a total of 185 pre-proposal applications of which 107 were developed into full-applications and a total of 76 projects were ultimately approved by May 17, 2007.

5.2.2.3 CTP Program Delivery

CTP staff noted that they were somewhat overwhelmed at first with the response to the program and the number of applications that came in but they soon got on top of the workload. It was suggested that establishing intake periods would have helped to better manage the caseload. For example, the program could be structured with 2 week application intake periods where all applications submitted during the intake period would be processed before announcing the next intake period and so on until funds were exhausted. A similar recommendation was offered by an Ex-Officio member of PAC – perhaps offer an application intake for period of 2-3 months and then close until caught up or set the intake cut-off at a dollar value i.e. \$7 million in project application requests.

CTP staff appreciated that they were able to carry out their roles without interference from higher administrative bodies (e.g. OACFDC and Ministry officials). It was suggested that this effectively served to limit the political element from the delivery of the program.

The Regional Coordinator implemented 'progress meetings' with CTP staff to ensure regular communications between staff. These meetings were not part of the initial administration plan but were initiated by the Regional Coordinator based on his previous experience in managing staff. The meetings were scheduled monthly and provided staff with an opportunity to discuss progress in relation to CTP goals. It also provided an opportunity to discuss work related and program related issues. Action items were identified at the end of the meeting and revisited at the next progress meeting to check on progress. The meetings promoted a good working environment.

CTP staff observed that the conflict of interest guidelines worked well as PAC members were required to declare actual, potential or perceived conflict of interest. In cases where there was potential or perceived conflict of interest PAC members discussed whether the matter represented a conflict and decided if the committee member(s) should be excused from discussing/voting on the project.

CTP staff also acknowledged any personal conflict of interest in relation to the projects that were submitted. Where a conflict of interest was identified the project was assigned to the other Project Officer or the Regional Coordinator.

CTP staff appreciated the flexibility of the program delivery. It was important to have the flexibility to meet with applicants to discuss their business ideas and make site observations which helped in visualizing their capacity to undertake the project. The two-step application process enabled the Project Officers to quickly identify project ideas that did not adequately respond to the funding principles and eligibility criteria before an applicant invested time and resources in developing a full application. CTP staff noted that there were very few complaints about the application process and the information requirements of the application.

CTP staff reported that PAC meetings were well organized and very productive. Having the Ex-Officio members at meetings was viewed as a very effective approach to providing PAC with valuable insights and information and assistance in identifying potential issues.

CTP staff suggested that PAC made a good decision to prioritize time sensitive projects as it ensured that crop based projects could be initiated at the earliest seasonal opportunity.

Initially, there was some uncertainty about what the \$1 million project funding limit would attract but CTP staff noted that it stimulated some excellent proposals, some of which were approved and it gave CTP staff, CFDCs, and PAC a good indication of the real costs for businesses to transition to other crops or other business enterprises.

CTP staff noted that some PAC applicants hired consultants to assist them with their full application and budget. To some extent this provided an indication of how serious the applicant was about his/her business idea. An independent consultant who submitted a

project application emphasized that the two-step application process worked very well. It was suggested that the two-step process ensured that all applications reached the same level of sophistication and ensured that applicants submitted well researched projects.

With respect to the unsuccessful applicants, it was noted that a better debriefing process would have been useful to help them understand the limitations of their project and whether a small adjustment by the applicant could strengthen the proposal.

In cases where CTP staff and PAC needed additional information to adequately assess a project, the structure of the CTP program enabled CTP staff and PAC to access information resources through Ex-Officio members such as OMAFRA representatives and external consultants. As noted by the Regional Coordinator, the CTP budget provided for \$40,000 over two years to hire consultants as needed to provide expert commentary on projects and ensure the information presented in the project proposal was accurate and to examine market conditions. About \$6,000 was actually spent on consultants over the two-years and the remainder went back into the grant funding pool. It was noted that CTP staff and PAC tried to rely on expertise from OMAFRA and other ministries as much as possible as a first response when seeking more information.

The Regional Coordinator noted that one of the weaknesses of an impact projection is the difficulty in accounting for all of the possible external factors and being able to guarantee what the market impact will be. On the one occasion when CTP staff received a complaint related to market competition, efforts were made to initiate dialogue with the related producers to determine if cooperative strategies could be developed that would result in benefits for the group as a whole.

Beyond the tangible benefits of jobs created and investment leveraged,⁸ CTP staff suggested that the CTP program was an important motivator for entrepreneurs and served as a catalyst for establishing businesses in the four counties. It was also suggested that the program helped transition the attitude of residents out of despair by helping them see the potential for other business activities.

Location of CTP Staff

CTP staff were located in two offices in two different counties to facilitate greater service coverage and take advantage of available office space. The Regional Coordinator, the Project Officer for Brant and Norfolk, and the Administrative Assistant were located in Simcoe in the same building that houses the Norfolk District Business Development Corporation while the Project Officer for Elgin and Oxford was located in St. Thomas in the same building that houses the Elgin Community Futures Development Corporation and the OACFDC.

⁸ The tangible benefits of the CTP program such as new businesses established, jobs created, investment leveraged, etc. will be the subject of review in the Phase 2 Evaluation.

CTP staff were in agreement that this arrangement worked very well. CTP staff were very mobile and spent a substantial amount of their time outside the office meeting with project applicants/recipients. It was noted that the Regional Coordinator spent about 70% of his time in the office and 30% on the road attending Steering Committee and PAC meetings and meeting with applicants/recipients. As for the Project Officers they spent about half of their time in the office and the other half was spent mostly meeting with applicants/recipients and attending PAC meetings. CTP staff also came together as a team usually once a week to review/discuss projects. Being housed in the same buildings as CFDCs also created efficiencies in meeting with CFDC staff to finalize the project contracts.

5.2.2.4 Summary Assessment

Once they were hired in the fall of 2005, CTP staff were intensely engaged in assisting with the preparation of the program guidelines and procedures and related program materials. While it was a challenge for CTP staff to have all of the preparations complete for the launch date in November 2005, the program was ready for implementation and only a few additional modifications were put in place by PAC as the program was rolled out to the counties. For example, PAC determined that it was too difficult to verify the value of in-kind contributions and decided only to use this form of contribution if it was determined the project could not go forward without it. The modifications were quickly incorporated as PAC was given the autonomy to establish the funding criteria.

The approach used to market and promote the program worked well and provided adequate coverage in each of the four counties. By April 2006 the program had received a total of 185 pre-proposal applications of which 107 went to full-applications and 76 were approved for funding by May 2007. Additional details on the distribution of approved projects by county and funding category are provided in section 5.4.

Although the program generated less interest in Brant County (e.g. Brant had the fewest attendants at the local CTP information session and the fewest number of project applications submitted) the level of response was linked to the smaller tobacco sector in Brant and additional action was taken by CTP staff to try and increase interest in the program in Brant.

It should also be noted that the 7 month lead-up time to the official launch of the program created a considerable amount of anticipation in the community and at least 70 people were waiting for the program to get underway when the applications became available in November 2007.

Once the program was implemented CTP staff were initially overwhelmed by the response but soon managed to work through the project applications. The initial surge in response resulted in a 4-6 week wait time for some applicants as CTP staff worked to prepare projects for PAC and began to process projects that were approved by PAC.

The initial heavy workload experienced by CTP staff also resulted in delays in preparing the first semi-annual report to the province.

CTP staff usually met weekly to discuss projects and a key adaptation was the implementation of monthly progress meetings which enabled staff to discuss projects in greater detail in relation to program goals and funding principles. Staff also used these meetings to discuss issues related to their work environment and workload. The progress meetings promoted a productive work environment.

Locating CTP staff in two offices facilitated efficient service delivery as the Project Officers were more centrally located to meet with applicants in their respective counties. This is an important consideration for future applications of the program as Project Officers spent a considerable amount of their time meeting with applicants/recipients outside the office. Another important benefit of having CTP staff located in CFDC offices was that it allowed CTP staff to more readily access CFDC staff to discuss and finalize the project contracts.

The two-step application process functioned as intended and worked well in attracting a variety of business/community economic development proposals. In cases where a Project Officer identified a personal conflict of interest, the application was assigned to the other Project Coordinator or the Regional Coordinator.

An important modification to the program was the decision by PAC to prioritize time sensitive projects such as crop diversification projects. This ensured that crop based projects could be initiated at the earliest seasonal opportunity.

PAC meetings were well structured during the implementation phase of the program which enabled PAC to spend the majority of its time reviewing projects. The presence of Ex-Officio members at PAC meetings was very beneficial to the process as these members were able to provide valuable insights and information and assist in identifying potential issues.

PAC effectively utilized funds that were set aside to hire 3rd party consultants to conduct market impact assessments. PAC also relied on the expertise of OMAFRA officials when seeking further information on crop related projects.

5.2.3 Project Approval Committee

5.2.3.1 PAC Recruitment

Each of the CFDCs was responsible for appointing a CFDC representative to PAC and recruiting a community representative from their county. The recruitment process for the community representatives typically involved CFDCs placing ads in local newspapers and informing community members through established community networks. This process was thought to work fine and the process attracted several interested community members in each county. The local CFDCs interviewed the candidates and then made their recommendation to the Steering Committee.

It was noted that the Steering Committee wanted PAC to have representation from a broad mix of backgrounds including community members with accounting backgrounds, business/manufacturing backgrounds, and agricultural backgrounds. This was largely achieved by the CFDCs as they communicated with each other as the community representative positions were filled.

A review of background documents and interviews with PAC members revealed that PAC members have extensive work experience in the private and public sectors. Agricultural interests including tobacco related interests were also represented on the committee. PAC members were also involved in a variety of community based volunteer organizations. Additional details on the background/experience of PAC members in provided in Appendix A.

CTP staff, PAC and Ex-Officio members were very pleased with the composition of PAC.

5.2.3.2 CTP Program Development

The Project Approval Committee conducted a total of six CTP development meetings between August and December 2005. Average attendance at these meetings for the nine voting members was 78%. Quorum was reached for all of these meetings (at least one voting member representing each of the four counties plus the chair of the committee). An average of four Ex-Officio members (MMAH, OMAFRA, OACFDC, IC) attended each of the six CTP development meetings. The Regional Coordinator and the CTP Administrative Assistant were present for five of these meetings while both of the Project Officers were present for four of these meetings as they were hired in Sept./Oct. 2005. The General Managers from each of the four CFDCs attended the initial PAC meeting in August 2005.

PAC and Ex-Officio members were generally satisfied with the organizational structure of the program.

As noted earlier, PAC members were very pleased with the preliminary program development work that was completed by the CTP Steering Committee and the

Regional Coordinator. It was suggested that much more time would have been needed to implement the program if this work had not been initiated in advance.

Although PAC members were provided with a copy of the MOU and had discussion on the MOU, it was noted that PAC experienced some challenges in the early stages as members required ongoing clarification of their roles and responsibilities. It was suggested that each PAC member should have been made to sign the MOU between OACFDC and PAC rather than just the chair on behalf of all PAC members as a way to ensure that members reviewed the MOU.

It was also noted that PAC struggled in the initial stages as it attempted to establish the assessment criteria and develop a score card for assessing projects. It was suggested more time would have been beneficial in working out some of the guideline details particularly in relation to assessing market impact.

For the most part, only minor refinements were made to the program guidelines and criteria. For example, in order to save time at meetings PAC decided that applicants would not be permitted to appear before PAC to make presentations. PAC also clarified that it would not fund project costs that were incurred prior to project approval and it would not fund feasibility studies.

Some refinements were more substantial such as establishing the project funding limits. In developing the preliminary funding limits the CTP Steering Committee suggested the following funding limits:

Enterprise diversification:	\$50,000
Community Capacity for Growth	\$500,000
Human Capacity for Change	\$250,000

PAC decided to raise the funding limits to \$1 million as a way to encourage/attract larger project ideas. There was also concern that smaller funding limits like \$50,000 would encourage some applicants to try and 'fill or inflate' their proposal budget up to the allowable limit. By placing the funding cap at \$1 million it was hoped that applicants would provide more accurate estimates of their costs. PAC members identified a couple of benefits to this approach: it attracted several large projects that met the eligibility criteria and were ultimately approved, and it enabled PAC to better understand exactly how expensive it could be for local entrepreneurs to transition to other activities. The downside of this approach was that it impacted the total number of projects approved. However, PAC was satisfied with the 73 projects that were approved by May 1, 2007 and felt that the projects represented a good mix of initiatives.

PAC also decided that individuals would be allowed to apply to the program. During the early development phase the Steering Committee had initially thought that many cooperative/partnership/corporate ventures would come through the application process and the feeling was that there would be less risk associated with granting funds to larger/group based projects. However, PAC ultimately decided that it wanted to open

the program to individual entrepreneurs as well. As noted by CTP staff, PAC had a soft spot for the farm family and was interested in projects to keep the family farm going. It was also suggested that PAC wanted to see movement out of tobacco but wanted the farmland kept active as agricultural or natural/open space uses.

5.2.3.3 CTP Program Delivery

The Project Approval Committee conducted a total of 13 CTP program meetings which were largely dedicated to reviewing and assessing projects. The meetings were conducted between January 2006 and May 2007. Meetings were not held in the months of July and October 2006 and February 2007 to allow CTP staff to catch up on administrative duties including processing approved projects. Average attendance at these meetings for the nine voting members was 80%. Quorum was reached for all of these meetings (at least one voting member representing each of the four counties plus the chair of the committee). An average of four Ex-Officio members (MMAH, OMAFRA, OACFDC, IC) attended each of the 13 CTP program meetings. All CTP staff were present for each of these meetings.

As shown in Table 4, PAC meetings were rotated around the four participating counties with just over 42% of the meetings conducted in Norfolk while Elgin and Oxford hosted about 47% of the meetings and Brant hosted about 11% of the meetings. PAC also invested a total of \$22,000 in videoconferencing equipment in January 2006. This enabled PAC members to overcome travel issues and contributed to greater participation rates at meetings. Video-conferencing was used in five of the 13 PAC meetings (38%). On average, about two to three people used the videoconferencing technology for these five meetings.

Table 4: Distribution of PAC Meetings by Location

County	CTP Development Meetings		CTP Program Meetings		All PAC Meetings	
	# of meetings	%	# of meetings	%	# of meetings	%
Elgin	1	16.7%	4	30.8%	5	26.3%
Oxford	1	16.7%	3	23.1%	4	21.1%
Brant	0	0.0%	2	15.4%	2	10.5%
Norfolk	4	66.7%	4	30.8%	8	42.1%
Total	6	100.0%	13	100.0%	19	100.0%

As PAC began to review and assess projects the committee members identified areas where greater clarification was needed in the program guidelines and the committee responded by expanding and elaborating on the guidelines. Between January and March 2006 several changes/upgrades were made to the guidelines. For example, conflict of interest guidelines were enhanced to prohibit PAC members from bringing forward an application. As well, it was established that credit checks had to be conducted on every applicant. PAC also determined that it would not set aside a certain amount of funds for each County but rather each project would be judged based on its own merits. It was also decided that in order to more effectively meet the goals of the

program, CTP staff would be directed to prioritize agenda items based on granting principles and consideration would be given to time sensitive projects (e.g. crop related projects). In the first few months there was interest among some PAC members in being more proactive and trying to initiate contact with some large food processing enterprises. However, it was agreed that PAC would not need to pursue projects given the early and intense response to the program.

Initially it was thought that as much as 50% of the program funding would go toward agricultural based projects but in the end about 25% of the funding went into agri-related projects. The intent was to support the best projects based on the funding categories and criteria and the funding amounts were not linked proportionally to the amount of tobacco production in the four counties.

PAC decided to set the cut-off date for accepting pre-proposal applications for April 7, 2006 by which time a total of 185 pre-proposals had been received. Only one complaint was received by the Regional Coordinator in relation to the cut-off date. By the end of May 2006, a total of 51 full-applications had been submitted to CTP staff and 87 pre-proposals were waiting to come in as full-applications. By January 2007, there were still 52 pre-proposals on file where the applicants had not moved forward with the full-applications. Between January 1, 2006 and May 1, 2007, PAC approved a total of 73 projects with a total funding value of \$14.2 million.

A total of four CTP projects were terminated early. The CTP funds from these projects (approximately \$2.3 million) were returned to the fund for other projects. In one case involving a million dollar project the applicant was waiting for an investment decision by off shore interests and it was decided that that the CTP funding could no longer be held-up waiting for the decision. In another case PAC added the condition that the production facility had to be located within the program area and the project was withdrawn by the applicant.

PAC members reported that the conflict of interest rules worked well. It was noted that this process was a bit of a learning curve for some members. As part of the PAC orientation process the committee was provided with some scenarios and asked to identify whether a conflict existed. Once the program was implemented committee members could declare conflict of interest or perceived conflict in relation to each of the projects under review. In cases where there was a perceived conflict of interest PAC members provided input and came to a decision on the issue. As noted by one Ex-Officio, the guidelines worked very well and in cases where the conflict was less obvious the committee ruled on the perception of conflict. Conflict of interest declarations were made in relation to 12 projects.

However, it was noted that PAC should have responded to a member holding a double role on the committee. This related to a PAC community representative who subsequently joined a local CFDC Board during their PAC term. It was suggested that the member should have stepped down from the committee or stayed off the CFDC Board until they completed their PAC term.

PAC was very conscious of its responsibility to manage the budget and members invested considerable time in reviewing and discussing the budget figures. PAC members were particularly interested in trying to flow as much of the \$15 million in funding as possible to projects. PAC carefully reviewed the estimated administration expenses. One area where PAC trimmed expenses was the consulting fees of OACFDC which were lowered from about \$108,000 to \$75,000.

PAC also gave careful consideration to the purchase of video conferencing equipment to facilitate attendance at PAC meetings. Although the equipment had been budgeted for, PAC decided to request a demonstration of the technology to determine its utility before purchasing it.

5.2.3.4 Due Diligence and Market Impact

PAC was highly active in ensuring that due diligence was carried out in reviewing and assessing each project. Several indicators reveal that PAC was effective in this capacity. Of the 73 projects that PAC approved for funding by May 1, 2007 approximately 50% were approved with reduced funding budgets. Careful attention was paid to identifying ineligible expenses and areas where costs could be cut. For example, where possible PAC recommended that reconditioned equipment be purchased rather than new equipment or short term leases be arranged rather than purchasing the equipment.

PAC was also very sensitive to ensuring that program funds were invested within the region. In at least 17 cases PAC attached conditions to the funding approval which served to ensure local investment. For example, in one case a training project was approved on the condition that it use local facilities and that the funds were only to be used for training individuals from the tobacco-growing communities with CTP funds. In another case a manufacturing project was approved with the condition that the manufacturing of the product had to take place in one of the four CTP counties.

PAC members appreciated that they were given the authority to decide which projects would be approved. It was viewed as a great approach to engaging community members in the community economic development process while at the same time enhancing the capacity of communities to take on this kind of role.

However, PAC was also sensitive to the social needs of the community and approved a farm family counselling project after considerable debate over the course of three meetings. The issue was contentious because some members viewed this as the responsibility of the government. However, the project applicants were able to sufficiently demonstrate the need for the service along with the lack of local services and the project was approved.

PAC members valued the presence of the Ex-Officio members at meetings as ministry representatives could provide timely and informative insights as projects were being reviewed. It was noted that the presence of ministry officials helped to ensure that PAC

applied due diligence in reviewing projects and resulted in a more transparent decision making process. From the perspective of one Ex-officio, PAC engaged in good discussions during the project approval process but sometimes the quality of information on a project could have been better. Considering the number of people involved it was suggested that the process worked well and challenges were addressed with dialogue.

PAC members reported that CTP staff did a good job in presenting the projects and that it would have been much more time consuming if applicants were permitted to present their project. PAC increasingly gained confidence in CTP staff to bring forward relevant and strong projects for consideration. It was suggested that CTP staff had to be careful in maintaining objectivity.

A weak component of the project review process was the criteria scorecard used by CTP staff. CTP staff completed the scorecard as part of their project review and included the scorecard with the project summary that was submitted to PAC for review. The scorecard was intended to act as a 'map' to help guide PAC members and CTP staff initially considered weighting some of the key criteria more strongly than others (e.g. job creation, economic diversification vs. community support, quality of partnerships) but PAC viewed this approach to be too complicated. Some PAC and Ex-Officio members thought the process was too subjective. It was also suggested that there were too many criteria and that the criteria lacked sufficient detail to apply a consistent assessment.⁹ One solution offered was to provide PAC with detailed examples of how projects could be scored. It was also noted that the development of a program logic model could have alerted stakeholders about the need to more clearly define the program criteria.

PAC was sensitive to projects that potentially introduced more competition for established businesses in the region. The onus was placed on applicants to provide market analysis information as part of their full-application which included confirmation of the market and related growth trends (global and regional as applicable) and a description of how and where their product would be marketed. If PAC determined that additional market or technical information was needed it could request information from OMAFRA specialists and/or bring in an external consultants to conduct an assessment. In some instances PAC requested additional information from the Ex-Officio OMAFRA representatives that were in attendance at the meetings and in at least 14 cases PAC deferred the decision on projects to allow time for additional information to be obtained through external specialists/consultants. On several occasions PAC requested that an external consultant be hired to conduct a further review of the market conditions. The 3rd party consultants that were used in this capacity had to be mutually agreed upon by both PAC and the applicant and the costs were shared between PAC and the applicant.

Overall, PAC was satisfied with what it accomplished and felt the best projects were funded based on the criteria established. This review concurs with the observations of

⁹ The CTP Project Summary/Scorecard is presented in Appendix C.

PAC members and has determined that adequate due diligence and market impact assessment was carried out.

5.2.3.5 Summary Assessment

The method used to recruit community representatives for the Project Approval Committee was successful in attracting community members with backgrounds in accounting, business/manufacturing and agriculture and extensive involvement in their communities through volunteer based organizations.

All of the PAC members with the exception of one stayed on the committee for the duration of the development and implementation of the CTP program. In the case of the one PAC member who stepped down from the committee this action resulted from a personal conflict of interest with a project application. This event occurred at the start of the implementation phase of the program and a substitute community representative was recruited and in place by March 2006. The replacement of the PAC member at the start of the program enabled PAC to maintain continuity in its member profile from March 2006 to May 2007 when the final project was approved.

The program was very successful in maintaining a high degree of participation at PAC meetings. The attendance rate at meetings for the nine PAC voting members during the development and implementation phase was about 80% indicating a high level of interest and commitment. Quorum was reached for all of the meetings which ensured that at least one voting member was present to represent each of the four counties. The meetings were also well attended by Ex-Officio members with an average of four Ex-Officio members (MMAH, OMAFRA, OACFDC, IC) attending each of the program development and implementation meetings. All CTP staff were present for all of the PAC meetings with the exception of one or two meetings during the development phase of the program.

Rotating the meetings around the four participating counties and using video-conferencing in several sites contributed to the high participation rate at meetings.

The preliminary program guidelines and funding criteria as developed by the CTP Steering Committee and CTP enabled PAC to more quickly establish and finalize the program and move onto implementing the program. However, more time should have been devoted to reviewing and reinforcing the roles and responsibilities of PAC members during the development phase as some members required ongoing clarification. PAC also struggled in the initial stages as it attempted to establish the project assessment criteria and score card for assessing projects. CTP staff assisted PAC in finalizing the scorecard but there was insufficient time to pre-test the instrument and the limitations of the scorecard were only realized during program implementation.

PAC properly interpreted the preliminary guidelines, funding criteria, etc. as draft documents and they incorporated additional details and modifications as they felt necessary. This including restricting applicants from making presentations directly to the

committee. Although the previous provincial Tobacco Diversification Program (1994-1999) invited applicants to make a presentation to the approval committee, PAC decided not to follow this approach in order to save time during meetings and avoid scheduling issues. The project review process used by PAC placed the onus on the applicant to provide a detailed full application which could be reviewed in advance of the PAC meeting. This approach enabled PAC members to come prepared for meetings and focus on discussing the strengths and limitations of each project. If additional information was required PAC could make a request to the applicant to submit the information for the next meeting.

One of the distinct program features that PAC put in place was the \$1 million project funding limit for all three funding categories. Other diversification programs such as the Tobacco Diversification Program (1994-1999) in Ontario and the Community Economic Adjustment Initiative Program in British Columbia (1999-2001) established funding limits of \$250,000 for projects. PAC initially considered funding limits of \$150,000 to \$300,000 but ultimately decided to go with the \$1 million as a way to encourage/attract larger project ideas. This approach successfully attracted several large projects that met the eligibility criteria and were ultimately approved. It also provided PAC with a much better understanding of how expensive it could be for local entrepreneurs to transition to other activities. The downside of this approach was that it impacted the total number of projects approved.

With the autonomy that MMAH and OACFDC provided to PAC the committee was able to respond quickly in making decisions to improve the program during the implementation phase. PAC made several upgrades/modifications to the program guidelines and operating procedures in the first few months including enhancements to conflict of interest guidelines, the use of credit checks for every applicant, and prioritizing time sensitive projects (e.g. crop related projects).

PAC was very cost conscious in identifying ineligible project expenses and areas where costs could be cut. About 50% of the approved projects had their grant amount reduced. This resulted in more funds being available for other CTP projects.

PAC also ensured that program funds were invested within the region by attaching funding approval conditions to projects that stipulated where applicants could invest CTP funds. If the conditions could not be met the project was terminated and the funds were returned to the program. A total of four CTP projects were terminated early and the \$2.3 million in CTP funds for these projects were returned to fund other projects.

PAC carried out due diligence in examining the potential market impact of projects. Although the onus was placed on applicants to provide market analysis information as part of their full-application, PAC routinely requested input from OMAFRA specialists and on several occasions requested a 3rd party analysis of local market conditions. The CTP program had a reserve fund of \$40,000 for conducting market impact assessments and the process generally worked well although there was one complaint which CTP staff attempted to address through discussions with relevant stakeholders.

A weak component of the project review process was the criteria scorecard. The scorecard was used by CTP staff to assess the strength of projects in relation to the program funding principles and assessment criteria. However, some PAC members reported that the scorecard included too many criteria and lacked sufficient details on the criteria to apply a consistent assessment across projects. As the program matured, PAC members relied less on the composite score that was produced from summing all of the project criteria scores and more on the key strengths of a project in addressing core principles such as local job creation, economic diversification, and cost-sharing.

5.3 Profile of CTP Program Projects

As shown in Table 5, the CTP program funded a total of 76 projects between January 1, 2006 and May 17, 2007 with a total grant amount of close to \$14.8 million.

Approximately 89% of the projects were in the Sustainable, Diversified Economy funding category (which included six sub-categories) and accounted for about 86% of the total grant funds while 9% of the projects were in the Community Capacity for Growth funding category and accounted for 7% of the total grant funds. About 2% of the projects were in the Human Capacity for Change funding category and accounted for 7% of the total grant funds.

Table 5: Number of CTP Projects by Funding Category

Funding Category	Number of Projects	Grant Amount
Sustainable, Diversified Economy		
Crop Diversification	27	\$3,892,819
Manufacturing	10	\$3,459,602
Food Processing	9	\$1,824,347
Tourism	7	\$1,370,630
Business Expansion	9	\$1,340,426
Agri-Tourism	5	\$868,495
<i>Sub-total</i>	67	\$12,756,319
Human Capacity for Change		
Skilled Trades and Industrial Training	1	\$800,000
Counselling and Skills Development	1	\$235,226
<i>Subtotal</i>	2	\$1,035,226
Community Capacity for Growth		
Municipal Economic Development Initiatives	7	\$1,004,911
Total Approved Funding	76	\$14,796,455

The two largest sub-categories in terms of funding were Crop Diversification and Manufacturing which combined accounted for half of the total program grant funds. Additional details on the distribution of projects and grant amounts by funding category are provided in Figure 3 and 4.

Figure 3: Distribution of CTP Projects by Funding Category

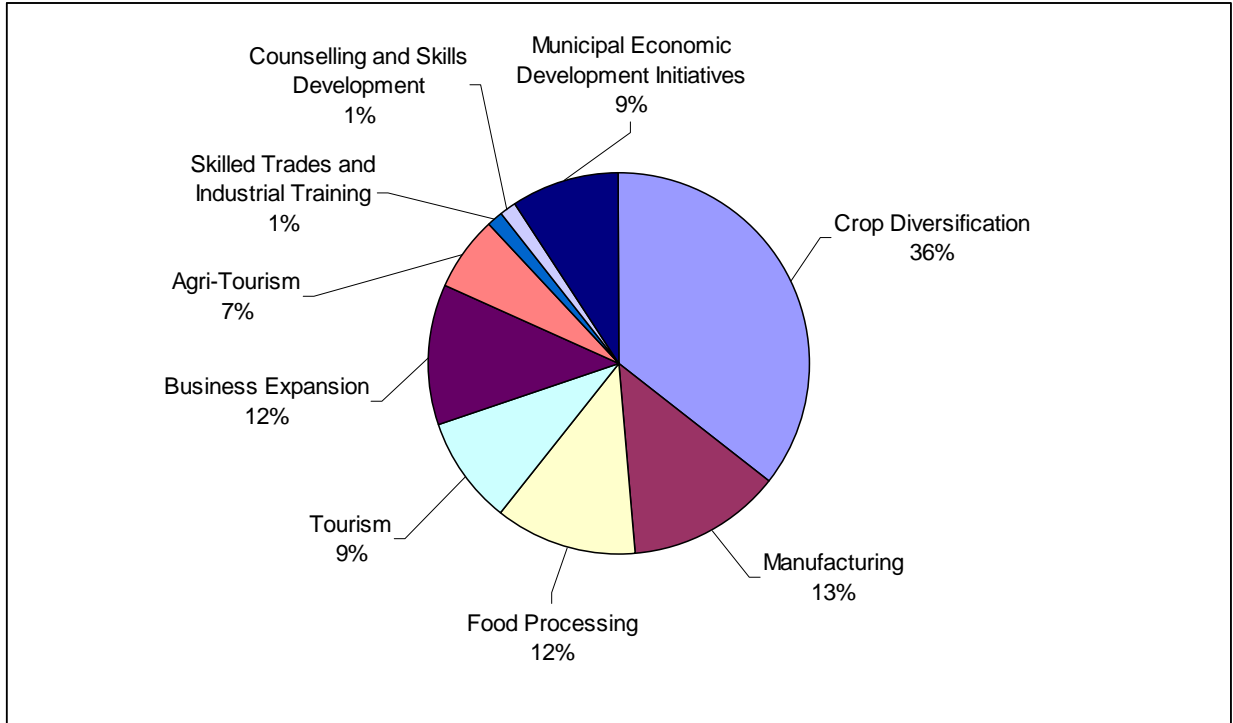
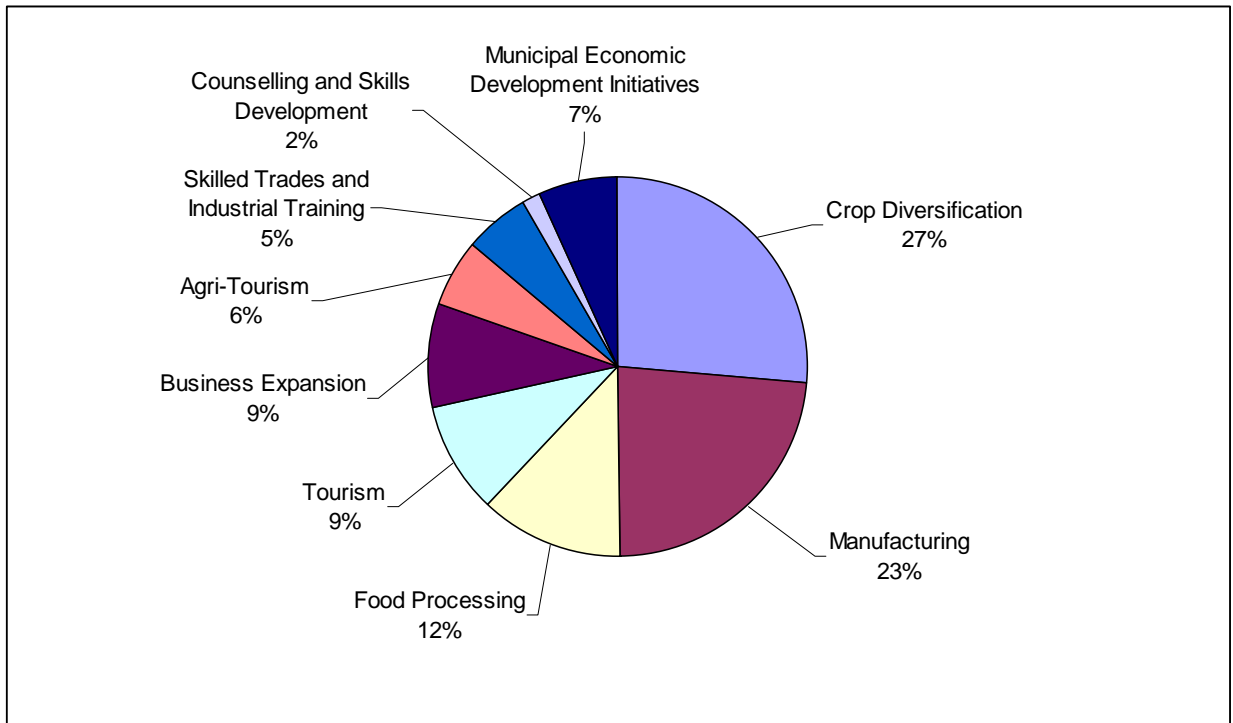


Figure 4: Distribution of CTP Grant Amounts by Funding Category



As shown in Table 6, approximately 67% of the CTP funded projects were in Norfolk County and accounted for about 73% of the total grant funds. About 20% of the projects were in Elgin County and accounted for 17% of the total grant funds while 8% of the projects were in Oxford County and accounted for 8% of the total grant funds. Just over 4% of the projects were in Brant County and accounted for 2% of the total grant funds. Additional details are presented in Figure 5 and 6.

Table 6: Distribution of CTP Projects by County

County	Number of Projects	Grant Amount
Brant	3	\$339,333
Elgin	15	\$2,416,296
Norfolk	52	\$10,957,134
Oxford	6	\$1,083,692
Total	76	\$14,796,455

Figure 5: Distribution of CTP Projects by County

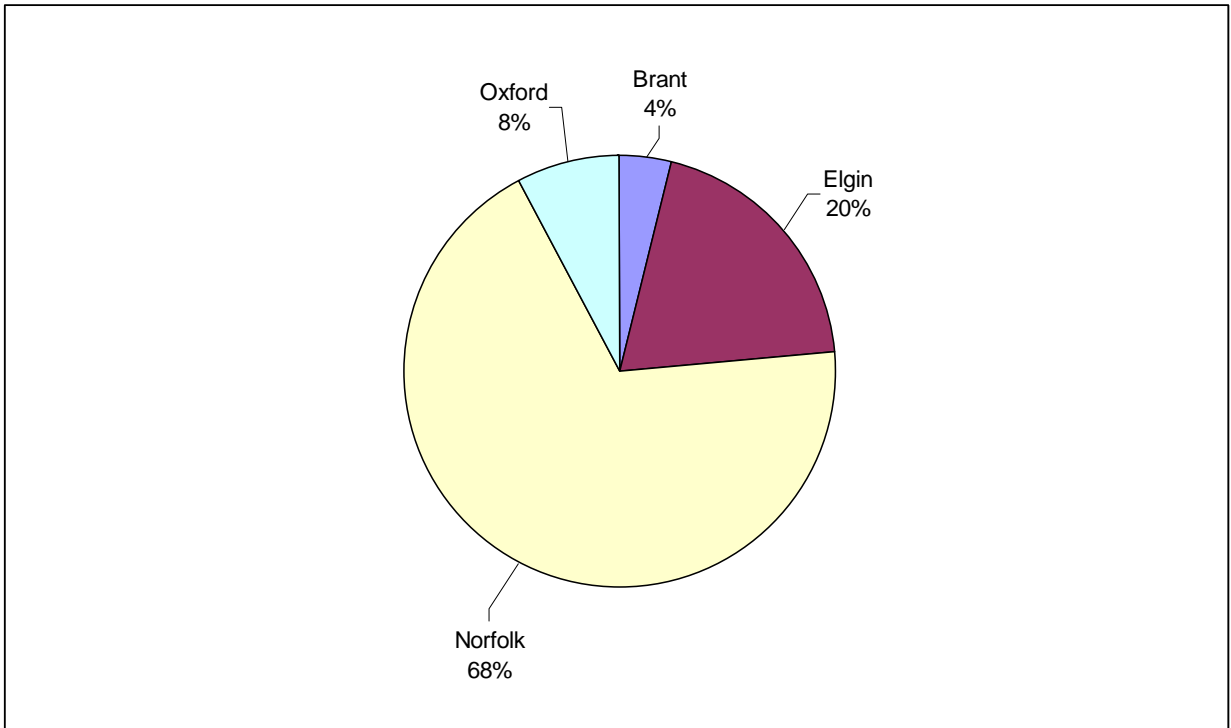
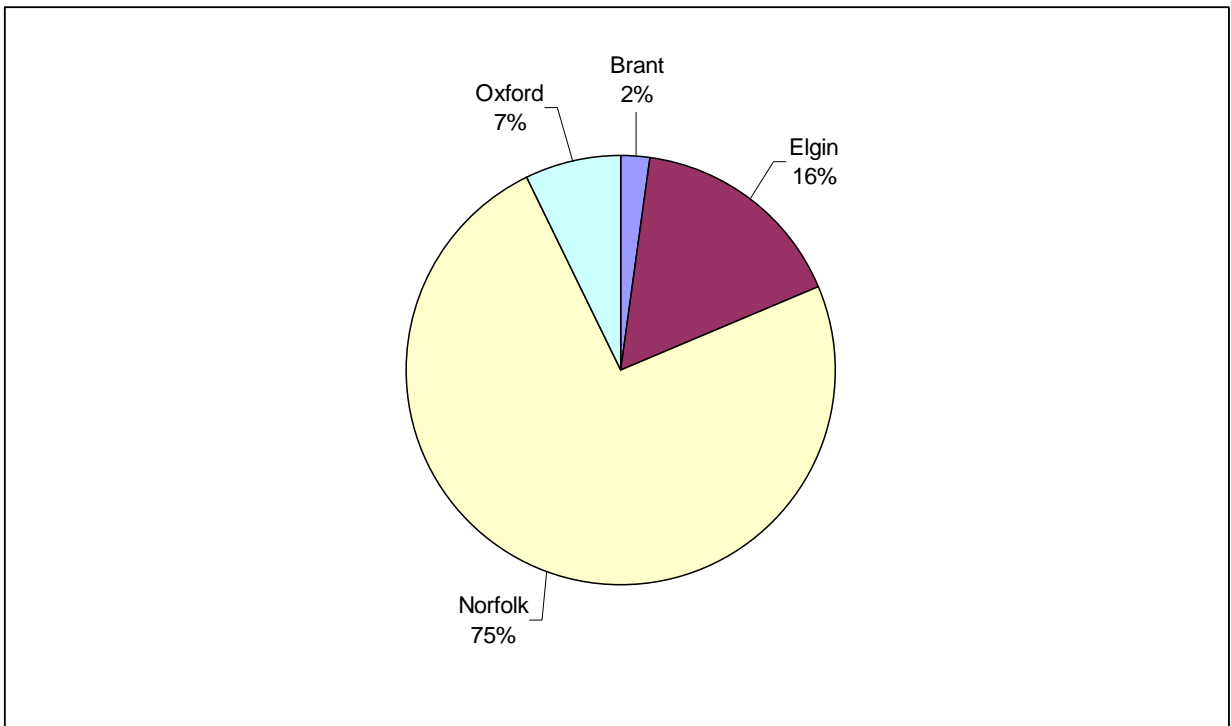


Figure 6 Distribution of CTP Grant Amounts by County



5.4 Program Efficiency

The total amount of funding provided by the province for the CTP program was \$15 million which was received by OACFDC at the signing of the contract in March 2005. Portions of the fund were invested by OACFDC in term deposits and the total estimated interest income earned amounted to \$984,701. The original provincial funding combined with the interest income resulted in total program funding of \$15.98 million.

As shown in Table 7, the total administrative costs amounted to \$1,145,888.¹⁰ This includes \$274,810 in administration fees/expenses for the program development phase from April to December 2005.

Between January 1, 2006 and May 17, 2007 PAC approved 76 projects with a total of \$14,796,455 in grants from the CTP fund. Based on these 76 projects the average grant per project amounted to \$194,690. The lowest grant approved for a project was less than \$25,000 while the highest was \$1 million.

As shown in Table 7, the administrative costs as a percentage of the original \$15 million in CTP funding provided by the province amounted to 7.6%. With the addition of the interest income the administrative costs as a percentage of the \$15.98 million in available funding amounted to 7.2%. By comparison, the administrative costs associated with the Tobacco Diversification Program (1994-1999) accounted for 9% of the total program funding. The Tobacco Diversification Program had \$5.6 million in funding (including interest income) and approved a total of \$4.8 million for 137 project grants.

A total of 107 CTP project applications were processed which produced an average administration cost of \$10,709 per project (or \$8,141 per project if we exclude the program development costs). A total of 76 projects were approved which produced an average administration cost of \$15,077 per project (or \$11,462 per project if we exclude the program development costs).¹¹

¹⁰ This includes the estimated costs for the 3rd and final year of the program.

¹¹ If the \$984,701 in total interest earned from investments is factored out of the total CTP program administration cost the average administration cost for each project processed amounts to \$1,506 while the average administration cost for each project approved amounts to \$2,121.

Table 7: Program Funding and Cost ^a

Program Funding and Cost		
Total Funding Provided by Province		\$15,000,000
Year 1 Interest Income Earned (Actual)	\$281,225	
Year 2 Interest Earned (Actual)	\$603,476	
Year 3 Interest Earned (Estimated)	\$100,000	
Total Estimated Interest Earned		\$984,701
Total Funding Available		\$15,984,701
Year 1 Administrative Budget (Actual)	\$366,967	
Year 2 Administrative Budget (Actual)	\$445,804	
Year 3 Administrative Budget	\$333,117	
Total Estimated Administrative Costs		\$1,145,888
Approved Projects		\$14,796,455
Total Funds Dispersed		\$15,942,343
Remaining Funding Available (contingency fund)		\$42,359
Administrative Costs as a % of Total Funds Provided by the Province		7.6%
Administrative Costs as a % of Total Funds Available		7.2%
Total Cost per Application Processed (107 projects)		\$10,709
Total Cost per Application Approved (76 projects)		\$15,077
Cost per Application Processed (107 projects) minus program development costs		\$8,141
Cost per Application Approved (76 projects) minus program development costs		\$11,462
Administration Costs Minus Interest Earned		\$161,186
Administrative Costs as a % of Total Funds Provided by the Province		1.1%
Total Cost per Application Processed (107 projects)		\$1,506
Total Cost per Application Approved (76 projects)		\$2,121

^a As of July 1, 2007.

On a per project basis, the cost of administering the implementation of the CTP program was close to the costs associated with the Community Economic Adjustment Initiative Program (CEAI, 1999-2001) in British Columbia. The CEAI economic diversification program started with \$20.3 million in funding and approved a total of \$19.4 million for 101 projects. Taking the remaining \$900,000 as administration costs, the average administration cost for CEAI projects was close to \$9,000 per project (Western Economic Diversification Canada. Community Economic Adjustment Initiative Program.

www.wd.gc.ca/rpts/audit/ceaia/5a_e.asp). The CEAI economic diversification program featured a number of similarities to the CTP program including a two step application process, the use of special coordinators and outreach workers at CFDCs to help develop projects, and a community based project approval Steering Committee.¹² However, the CEAI program differed from the CTP program in some ways such as the use of local CFDCs to review applications and determine which applications would be submitted to the Steering Committee for review/approval. In contrast, CTP staff submitted all of the full applications to PAC for review.

The program costs presented above do not include the volunteer time contributed by PAC members which was significant. An estimate of the total value of the contribution made by the PAC members was calculated by reviewing the minutes from PAC meetings and discussions with the Regional Coordinator. It was determined that PAC contributed a total of 225 hours in developing the CTP program including reviewing materials in advance of PAC meetings and attending meetings. With respect to program implementation, it was determined that PAC members contributed a total of 1,007 hours which included reviewing program budgets, reviewing project files in advance of PAC meetings and attending day-long PAC meetings. Applying an hourly rate of \$30/hour the total value of the contribution made by PAC members in developing and implementing the CTP program amounts to \$36,975.

CTP Program Wrap-up Planning

During the most recent PAC meeting on May 17, 2007 the committee decided that the remaining program funds (approximately \$42,000) would be placed in a contingency fund. The contingency fund will be reviewed at a PAC meeting in September 2007. Any remaining funds at that time will be distributed to the four CFDCs for the purpose of providing Economic Development Grants within their communities as determined by the individual boards. The grants will need to be in concert with the CTP goal of diversifying the economy and a contract will be formed between CTP and the four CFDCs (similar to a project contract) that identifies the conditions of the grant.

The CTP staffing contracts for the Project Officers are scheduled to expire on September 30, 2007 while the contract with the Regional Coordinator will expire on November 30, 2007. It is anticipated that the Administrative Assistant will continue to work on a contract part-time basis for the Norfolk CFDC until approximately January 2008. Norfolk CFDC will utilize existing staff to monitor and complete milestone payments on remaining Norfolk and Brant projects beyond September 2007 while Elgin and Oxford CFDCs may contract their Project Officer to complete milestone payments on the remaining projects beyond September 2007. OACFDC will complete all financial transactions with the four CFDCs by December 31, 2007.

¹² The CEAI Steering Committee consisted of four coastal mayors, four CFDC representatives, four representatives from aboriginal organizations, and four representatives from federal government departments. Two provincial representatives were added later.

6.0 CONCLUSIONS

Phase 1 of the Community Transition Program Evaluation involved an assessment of the process that was used to develop and deliver the program and the extent to which the program operated as intended.¹³

The evaluation findings emerged from an analysis of views and insights provided by the program administrative stakeholders including OACFDC, MMAH, OMAFRA, Industry Canada, CFDCs, and Project Approval Committee members. The findings were also informed by details provided in program documents including minutes from meetings, annual reports, project accounts, and financial records.

The analysis indicates that the program generally operated as intended with some modifications incorporated along the way as CTP staff, PAC, and CFDCs grew into their roles.

Between January 1, 2006 and May 17, 2007, the CTP program successfully funded 76 projects from across the four counties. These projects accounted for a combined total of \$14.8 million in CTP grants with an average grant amount of \$194,690. The lowest grant approved for a project was less than \$25,000 while the highest was \$1 million.

The CTP program supported a wide diversity of projects with 86% of the grant funds going toward economic diversity projects such as crop diversification, manufacturing, food processing, and tourism. The remaining grant funds went to municipal economic development initiatives, skilled trades and industrial training, and counselling and skills development.

The proportional distribution of projects and grant funds somewhat mirrored the distribution of tobacco production in the four counties. A total of 52 projects were funded in Norfolk while 15 projects were funded in Elgin, 6 projects were funded in Oxford and 3 projects were funded in Brant. In terms of grant funds, approximately 75% of the total grant funds went to Norfolk while 16% of the funds went to Elgin, 7% of the funds went to Oxford and 2% of the funds went to Brant.

Total CTP program administration costs amounted to \$1.14 million which included program development costs. Portions of the \$15 million CTP fund were invested by OACFDC in term deposits and generated about \$984,000 in interest income which largely covered the administrative costs. The total administrative costs as a percentage of the original \$15 million in funding amounted to 7.6%. With the addition of the interest income the administrative costs as a percentage of the \$15.98 million in funding amounted to 7.2%. By contrast, the administrative costs for the previous federal-

¹³ The Phase 2 Evaluation will focus on the outcomes of the program. The Phase 2 Evaluation is scheduled to be initiated at the completion of the Phase 1 Evaluation.

provincial Tobacco Diversification Program (1994-1999) in Ontario accounted for 9% of the total program fund.

A total of 107 pre-proposal applications were processed into full applications which resulted in an average administration cost of \$10,709 per project. A total of 76 projects were approved which resulted in an average administration cost of \$15,077 per approved project. If the \$984,000 in total interest earned from investments is factored out of the total administration cost the average administration cost for each project processed amounts to \$1,506 while the average administration cost for each approved project amounts to \$2,121.

This review has determined that OACFDC and its affiliated CFDCs are well suited and have the capacity to manage and administer regional based economic diversification/adjustment programs.

Program funds were used as intended and PAC was very cost conscious in identifying ineligible project expenses and areas where budgets could be trimmed.

A distinct feature of the CTP program was the million dollar funding limit which was used to encourage 'big idea' projects. The high funding limit successfully attracted several large projects that met the other eligibility criteria of the program and were ultimately approved. An unexpected result of this approach was that it provided PAC with valuable insights into how expensive it can be for entrepreneurs to transition to other activities.

PAC recognized the key role of small businesses and sole proprietors in rural economies and made sure that this group was included along with corporations, partnerships, not-for-profit organizations, municipalities and educational/social service institutions as eligible applicant groups. The broad applicant criteria contributed to the variety of projects that came forward from across the four counties.

PAC carried out due diligence in examining the potential market impact of projects. Although the onus was placed on applicants to provide market analysis information as part of their full-application, PAC routinely requested input from OMAFRA specialists and on several occasions requested a 3rd party analysis of local market conditions. The CTP program had a reserve fund of \$40,000 for conducting market impact assessments and the process generally worked well although there was one complaint which CTP staff attempted to address through discussions with relevant stakeholders.

In the few instances where the program encountered challenges, it was typically linked to time constraints, particularly in the development phase of the program where additional time for research and consultation between stakeholders would have facilitated greater clarity in roles and the development of more detailed project assessment criteria and guidelines.

7.0 RECOMMENDATIONS

The following recommendations reflect actions for enhancing the design and delivery of the PAC model in future applications.

1. Develop a detailed Program Logic Model (PLM) during the design phase of the program to help clarify the program strategy, performance indicators and assessment criteria for assessing projects.

The process of developing a Program Logic Model will assist in identifying realistic and measurable outcome targets and setting priorities for allocating resources. The development of the PLM will help build consensus among participants and stakeholders and will provide a framework for evaluation. It can be used to identify differences between the ideal program and its real practice and it can make stakeholders accountable for program processes and outcomes. The PLM will assist stakeholders in making adjustments to the program during the implementation phase to build a better program.

2. Maintain the two-step project application process.

The two-step application process worked very well in attracting a variety of business/community economic development proposals. The process enabled program staff to review/discuss pre-proposals with applicants and advise applicants if they should proceed with a full application.

3. Establish intake periods for pre-proposal applications.

During the early months of the program, CTP staff became overwhelmed with preparing projects for review and processing contracts for approved projects. Establishing intake periods would help staff to more efficiently manage the caseload and reduce the wait time for recipients to receive their grant. For example, the program could be structured around a two week application intake period. All of the applications submitted during the intake period would be processed before announcing the next application intake period.

4. Continue to promote eligibility criteria that support both small and large projects.

The CTP program accepted applications from registered business enterprises including sole proprietors, corporations, and partnerships. The Project Approval Committee was interested in enabling large projects to participate in the program and it established a one million dollar funding limit to try and attract some 'big idea' projects. This attracted several large projects some of which were approved. The large funding limit also allowed the committee to better understand the real costs for some businesses to transition from one crop to another.

5. Continue to conduct independent market impact assessments.

CTP applicants were required to provide market analysis information as part of their full application which includes confirmation of the market and related growth trends. The Project Approval Committee had the authority to request additional market impact information if it felt the information in the application was insufficient. Several market impact assessment studies were completed at the request of PAC. The cost of these studies was split between the program and the applicant with mutually agreed upon consultants.

In cases where PAC determines that the market impact analysis provided by the applicant is inadequate, a 3rd party analysis should be mandatory.

6. Develop a formal complaints procedure for project applicants and non-applicants.

Although the CTP program received very few complaints it did not have a formal complaints policy/procedure at the outset of the program. A procedure evolved over time whereby individuals who wanted to express concerns about the program were directed to speak with the Regional Coordinator. The Coordinator shared these concerns with PAC and was advised on any action to take. The development of a complaint management system that is well publicized and easily accessible will help to ensure that complaints are handled in a consistent and timely manner.

The complaint procedure would be distinct from the appeal process which was used by the CTP program to provide applicants with an opportunity to alter their submission to meet the program goals and re-submit.

7. Streamline the accounting procedures by designating a single agency to manage all of the project accounts.

The CTP program accounting procedures resulted in some repetition as the participating CFDCs prepared financial reports for their projects which were then consolidated into a CTP program report. As well, there was some variation in the accounting formats used by the four CFDCs. In order to reduce repetition and avoid different accounting formats, a single agency such as OACFDC or a designated CFDC could be assigned to handle all of the accounting procedures and be compensated for related administration costs.

Alternatively, the Steering Committee could be maintained throughout the development and implementation of the program with an overseer role to ensure consistency in accounting formats between OACFDC and the CFDCs.

8. Maintain a program Steering Committee throughout the development and implementation of the program to provide ongoing advice to program staff.

The Steering Committee proved to be a very important source of information and advice for the Regional Coordinator during the development phase of the program. The revival of the Steering Committee after the formation of the Project Approval Committee was in response to this ongoing need. A smaller Steering Committee with core representation from stakeholders could fulfil this role once the program moves from the development phase to the implementation phase.

9. Develop clearer definitions and guidelines for the Project Summary scorecard and provide greater training in its use.

The scorecard was completed by the Project Officers to rate projects based on the extent to which they met the granting principles, category priorities, and desired outcomes (create/retain jobs, increase community capacity for community economic development, promote innovation, introduce new technologies, promote economic diversity) of the program. Other criteria examined on the scorecard included the sustainability of the project, quality of partnerships, and the do-ability of the project/ease of implementation. The amount of criteria featured on the scorecard was overwhelming for some PAC members and lacked sufficient definitions/guidelines.

10. Conduct a literature review and seminar/workshop/information session for the Project Approval Committee and other program stakeholders on the lessons learned /outcomes achieved in other relevant programs.

Providing program stakeholders with an overview of the programs that have existed in the tobacco growing regions would provide stakeholders with a valuable perspective on the economics and business history of the area. Numerous programs with various foci have existed in the region since the mid 1980s including tobacco quota buy out programs and crop diversification programs. Having future Project Approval Committees understand the context of their work provides a better perspective on their decisions.

11. Maintain routine staff progress meetings to ensure effective communication and promote a good working environment.

Although not identified as part of the original program delivery design, the Regional Coordinator initiated routine staff progress meetings early into the implementation of the program to ensure regular communication between staff and address work and program related issues.

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Appendices

Appendix A CTP Program Stakeholders

Project Approval Committee

Ken Sheppard (Chair)	<ul style="list-style-type: none"> • President, OACFDC • Norfolk District Business Development Corporation, President • Served as Chair of the Ontario Secondary School Principals Council and was the first interim chair of the Ontario Principals' Council • Past President of the Norfolk Association for Community Living • Past Governor of local Lions Club • Co-chair of a Habitat for Humanity home build in Simcoe • Served on the local chapter of Special Olympics, the Lynnwood Arts Musical Series, championed Edukids Day Care in Waterford and fund raising for the Backus Conservation Education Centre • Coached minor league soccer • Served 10 years as vice president and chair of the Hotel Management Committee of Mountain Springs Lodge, Collingwood
Wendy Walton	<ul style="list-style-type: none"> • Brant CFDC Board Member • Chair of the Outreach Committee of Enterprise Brant • Previous small business owner (8 yrs. - dance studio with over 250 students) • Experienced event planner and was a participant on the "Shining Stars" first annual tourism awards committee • Previous Office Manager at Kirk's Drying and Building Systems Limited, a family owned company • Previous director of the Multiple Sclerosis Society of Brantford
Stan Symons	<ul style="list-style-type: none"> • Brant County Community Representative • Director of the Ontario Flue-cured Tobacco Growers Marketing Board • Tobacco farmer for 37 years • Served a term on the Burford Township Council • Past member of the Burford Lions Club • Served as President and Treasurer on the Burford Minor Hockey Executive
Wendell Graves	<ul style="list-style-type: none"> • Elgin CFDC Board Member • Presently serving as Past President of the Elgin CFDC Board of Directors • Employed as Clerk for the City of St. Thomas • Previously employed as CAO of the Town of Aylmer and actively engaged in economic development for the municipality • Pursuing a Masters of Public Administration degree • Involved in many community activities
Neil Bossuyt	<ul style="list-style-type: none"> • Elgin County Community Representative • Lifetime resident of Elgin County • Work experience throughout the tobacco-growing region in farming, sales, finance and most recently as Plant Manager for Imperial Tobacco • Currently employed as a consultant • Bachelor's and Master's degrees in Agricultural Economics • Involved in community sports programs and coaching • Served on a fundraising committee for a new community complex
Grant Russell	<ul style="list-style-type: none"> • Norfolk CFDC Board Member • Past President of the Norfolk District Business Development Corporation • Worked as project manager for the construction of nuclear energy plants
Linda Vandendriessche ^a	<ul style="list-style-type: none"> • Norfolk County Community Representative • Director of the Ontario Flue-cured Tobacco Growers Marketing Board • Tobacco grower

^a Wayne Cadman initially held this position during the development phase of the program in 2005. He agreed to step down in early 2006 when a family member applied to the program. Linda Vandendriessche took on this position for the remainder of the program.

Project Approval Committee continued

John Clifford	<ul style="list-style-type: none"> Oxford CFDC Board Member <ul style="list-style-type: none"> Chartered Accountant with the Michael Bossy group professional corporation Past Chairperson of the Tillsonburg Superbuild arena renovation committee Past Chairperson of the Town of Tillsonburg Parks and Recreation Advisory committee Past Chairperson of the Tillsonburg Parks and Recreation Commission Past member of the Town of Tillsonburg Planning Advisory Committee Past Chairperson of the Tillsonburg Chapter of the Heart and Stroke Foundation and Tillsonburg Branch of St. John Ambulance
Lynn Buchner	<ul style="list-style-type: none"> Oxford County Community Representative <ul style="list-style-type: none"> Certified General Accountant (CGA) Association of Municipal Managers, Clerks and Treasurers (AMCT) Director of Corp. Services & Treasurer for the County of Oxford since 2002 Previous Director of Corp. Services & Treasurer for the Town of Tillsonburg Previous Secretary/Treasurer of Tillsonburg Hydro Inc. Previous Administrator/Treasurer of a rural municipality that underwent amalgamation in the County of Elgin
Elaine McGregor-Morris (Alternate Chair)	<ul style="list-style-type: none"> Board member, OACFDC <ul style="list-style-type: none"> Past Chair of the Elgin Community Futures Development Corporation and a director with the corporation since 1996 (and prior to this time with the Elgin Local Employment Assistance Development Board) Retired high school teacher and former co-ordinator of the Arts for the Elgin Board of Education Chaired the United Way locally and regionally plus represented the region at the provincial level, and Chaired the Women's Place, YWCA and St. Thomas Art Gallery boards Founding Chair of the Elgin-St. Thomas Community Foundation

CTP Staff

John Klunder	<ul style="list-style-type: none"> Regional Coordinator
Richard Gilbert	<ul style="list-style-type: none"> Project Officer, Brant and Norfolk Counties
Anne Kenny	<ul style="list-style-type: none"> Project Officer, Elgin and Oxford Counties
Catherine Dougherty and Dawn Barron-Bommarito ^a	<ul style="list-style-type: none"> Administrative Assistant

^a Catherine Dougherty held this position until December 2006 and Dawn Barron-Bommarito held the position for the remainder of the program.

CTP Program Steering Committee

Diana Jedig	• Executive Director, OACFDC
Ken Sheppard	• President, OACFDC
Elaine McGregor-Morris	• Chair, OACFDC
Kim Wingrove	• Ontario Ministry of Municipal Affairs and Housing
Dave Cook	• Ontario Ministry of Municipal Affairs and Housing
Gail Gimpelj	• Ontario Ministry of Agriculture, Food and Rural Affairs
Helen LeFrank	• General Manager, Elgin Community Futures Development Corporation
Gordon Potts	• General Manager, Norfolk District Business Development Corporation
Lance Pickering ^a	• General Manager, Oxford Small Business Support Centre
Cindy Swanson	• General Manager, Enterprise Brant
Grant Russell	• Norfolk CFDC Board Member
Wendell Graves	• Elgin CFDC Board Member
Glenn McDonald	• Director, Oxford Small Business Support Centre

^a Tom Shafer was the General Manager of the Oxford CFDC for the first year of the program and then Lance Pickering took on the position.

PAC EX-Officio Members

Kim Wingrove • Ontario Ministry of Municipal Affairs and Housing (then OMAFRA)

Gary Stephens • Ontario Ministry of Municipal Affairs and Housing (then OMAFRA)

Katherine Turner • Industry Canada

Gail Gimpelj • Ontario Ministry of Agriculture, Food and Rural Affairs

Nick Kinkel • Ontario Ministry of Agriculture, Food and Rural Affairs

Diana Jedig • Executive Director, OACFDC

Elaine McGregor-Morris • Chair, OACFDC

CFDC General Managers

Helen LeFrank • General Manager, Elgin Community Futures Development Corporation

Gordon Potts • General Manager, Norfolk District Business Development Corporation

Lance Pickering ^a • General Manager, Oxford Small Business Support Centre

Cindy Swanson • General Manager, Enterprise Brant

^a Tom Shafer was the General Manager of the Oxford CFDC for the first year of the program and then Lance Pickering took on the position.

Appendix B Program Logic Model

A program logic model (PLM) provides a systematic and organized way to look at the cause and effect relationships between the program resources that are used and the activities, outputs, and outcomes they achieve.

In order to achieve the objectives of the Community Transition Program, the Program uses resources to perform activities that, in sequence, produce outputs and outcomes. Outputs refer to the completion of activities and do not indicate any changes that have occurred in the lives of program participants. An example would be the CTP Steering Committee meetings and the Program Approval Committee meetings that were conducted during the development phase of the program. In contracts, outcomes refer to the changes that have taken place in the lives and/or businesses of program participants. Outcomes examples include the following:

- Increase and/or expansion of alternate business enterprises in the tobacco growing communities of the Counties of Brant, Elgin, Norfolk, and Oxford
- Increase of new agri-food processing facilities
- Increase of non-tobacco related jobs
- Enhanced institutional capacity for assisting business development and growth
- Enhanced education and skills training capacity

Developing a PLM is an important step in the evaluation process. It gives a clear and comprehensive picture of the program that helps in identifying evaluation issues that should be addressed. The following PLM has been developed based on a review of the background documents and key informant interviews with program stakeholders. It is important to note that this evaluation is taking place while some CTP projects are still in their implementation phase. Therefore, measuring long-term outcomes is not the focus of this evaluation.

Program Logic Model for the Community Transition Program – April 25, 2007

Community Transition Program					
Program Logic Model					
(1 of 7)					
Inputs	Activities	Outputs	Outcomes		
			Short-term	Intermediate	Long-term
			(within 12 months)	(1-2 years)	(3-5 years)
<ul style="list-style-type: none"> Ministry of Municipal Affairs and Housing (MMAH); Ontario Ministry of Agriculture, Food, and Rural Affairs (OMAFRA) Financial resources Ontario Association of Community Futures Development Corps. (OACFDC) 	<ul style="list-style-type: none"> Develop and sign agreement with OACFDC Establish CTP investment fund Ex-officio position on PAC Board meetings to discuss CTP Establish the CTP Steering Committee Establish CTP budget Appoint signing officers for contracts and cheques with CFDCs Manage the investment of funds until exhausted Sign delivery agreement with CFDCs to cover admin and program funds Releases funds for CFDC admin expenses and projects Appoint Executive Member as Chair of PAC Interview and approve hiring of the CTP Regional Coordinator Report to MMAH / OMAFRA every 6 months Submit annual report on PAC activities and distribution of funds Submit final report on performance outcomes 	<ul style="list-style-type: none"> Signed agreement with OACFDC CTP investment fund established (\$15 million) Board meeting minutes CTP Steering Committee established Delivery agreements established with CFDCs Regional Coordinator hired Funds released for CFDC admin expenses and approved projects Biannual reports to MMAH/OAMFRA Annual reports Final report on performance outcomes Annual report to OACFDC members 	<p>Process related outcomes...</p> <ul style="list-style-type: none"> Increased understanding of CTP purpose and intent among the different admin agents/groups Increased participation in the CTP planning and implementation process among the different admin agents/groups Increased understanding and knowledge of the roles and responsibilities of the different admin agents/groups Improved communication between the different admin agents/groups Improved coordination of CTP service delivery Increased community awareness and knowledge of the CTP 	<ul style="list-style-type: none"> Increased efficiency of CTP service delivery 	

Community Transition Program

Program Logic Model

(2 of 7)

Inputs	Activities	Outputs	Outcomes		
			Short-term	Intermediate	Long-term
			(within 12 months)	(1-2 years)	(3-5 years)
<ul style="list-style-type: none"> • Community Transition Steering Committee * <p><i>* 13 member committee consisting of representatives of OACFDC, the 4 participating CFDCs, Ministry of Municipal Affairs and Housing, and the Ontario Ministry of Agriculture, Food and Rural Affairs</i></p>	<ul style="list-style-type: none"> • Steering Committee meetings • Review best practices from similar programs • Conduct public forum in Delhi • Initiate preliminary CTP design work: <ul style="list-style-type: none"> • Admin plan • Draft program guidelines and funding criteria • Establish CTP goals • Establish the main funding categories • Develop PAC composition • Develop PAC orientation manual • Recruit PAC members • Develop the MOU for PAC • Develop the Policies and Procedures for PAC • Establish staffing requirements • Recruit/hire CTP staff • Develop contracts between each of the parties • Create a CTP logo and CTP branding • Market the program to the public and respond to public inquiries 	<ul style="list-style-type: none"> • Steering Committee meeting minutes • Best practice review • Public forum presented in Simcoe (Nov. 8 2005) • Admin plan established • Program guidelines, goals and funding criteria drafted • 3 priority funding categories established: sustainable, diversified economy; community capacity for growth; and human capacity for change • Program application process drafted: <ul style="list-style-type: none"> • Pre-Proposal Application Form • Full Application and Business Plan • PAC Orientation Manual • PAC established • MOU and Policies and Procedures for PAC • Regional Coordinator hired • Formal contracts between each of the parties • CTP logo and CTP branding • CTP Promotional materials 			

Community Transition Program

Program Logic Model

(3 of 7)

Inputs	Activities	Outputs	Outcomes		
			Short-term	Intermediate	Long-term
			(within 12 months)	(1-2 years)	(3-5 years)
<ul style="list-style-type: none"> • Project Approval Committee (PAC) * <p><i>* 9 member volunteer committee consisting of an OACFDC appointed chair, 4 CFDC board members and 4 community members representing each of the 4 participating counties</i></p>	<ul style="list-style-type: none"> • PAC meetings • Review and approve the MOU for PAC • Review and approve the Policies and Procedures for PAC • Review and approve eligibility criteria for projects • Review and approve program application process: <ul style="list-style-type: none"> • Pre-Proposal Application Form • Full Application and Business Plan • Review and approve project assessment guidelines • Approve and monitor the CTP budget • Review applications and identify projects that meet criteria • Approve funding and direct OACDFC to release funds to CFDCs • Approve admin expenses to be reimbursed to OACDFC • Review semi-annual reports prepared by CTP staff for MMAH/OMAFRA • Direct CTP staff in execution of the CTP mandate 	<ul style="list-style-type: none"> • PAC meeting minutes • Finalized MOU and Policies and Procedures for PAC • Finalized project assessment guidelines • Approved projects • Declined projects • Projects funded 			

Community Transition Program

Program Logic Model

(4 of 7)

Inputs	Activities	Outputs	Outcomes		
			Short-term	Intermediate	Long-term
			(within 12 months)	(1-2 years)	(3-5 years)
<ul style="list-style-type: none"> Community Transition Program staff: Regional Coordinator 	<ul style="list-style-type: none"> Report to OACFDC Board on CTP activities Take direction from PAC on CTP delivery Forward/present project summary and recommendations to PAC Notify successful and unsuccessful applicants Prepare Letters of agreement with CFDCs for each approved project Obtain final project evaluation from CFDCs Prepare semi-annual reports for OACFDC/PAC to go to MMAH/OMAFRA Compile final report on performance outcomes as outlined in the approved program Oversee preparation of audited financial statements Respond to public inquiries, prepare press releases and promotional materials 	<ul style="list-style-type: none"> Project summary and recommendations Letters to successful and unsuccessful applicants Letters of agreement with CFDCs Project evaluations from CFDCs Biannual reports for MMAH/OMAFRA Final report on performance outcomes Press releases Public information forums in Delhi, Burford, Aylmer, Norwich (Nov. 16 to 28, 2005) Auditors report Annual report to OACFDC members Quarterly consolidated financial statements 			

Community Transition Program

Program Logic Model

(5 of 7)

Inputs	Activities	Outputs	Outcomes		
			Short-term	Intermediate	Long-term
			(within 12 months)	(1-2 years)	(3-5 years)
<ul style="list-style-type: none"> • Community Transition Program staff cont.: • Project Officers: 1 for Elgin and Oxford Counties and 1 for Brant and Norfolk Counties 	<ul style="list-style-type: none"> • Consult with applicants / develop projects applications at the community level • Review and recommend projects to PAC including project summary sheet • Monitor approved projects and report to Regional Coordinator every 6 months • Coordinate local CTP project to carry out contract details • Maintain local project files and prepare project file evaluation • Prepare biannual local report for Regional Coordinator to share with OACFDC/PAC and forward to MMAH / OMAFRA • Prepare local annual report – summary of PAC activities and distribution of funds • Prepare local final report on performance 	<ul style="list-style-type: none"> • Consultations with applicants • Completed Pre-Proposal Application forms • Approved Pre-Proposal Applications • Completed Full Application and Business Case forms • Project summary sheets • Full Application and Business Case forms submitted to PAC for review • Resubmission of Full Application and Business Case forms initially declined by PAC • Site visits and meetings with successful applicants to review progress • Biannual local reports for the Regional Coordinator • Project file evaluations • Annual local report on PAC activities and distribution of funds • Final local report on performance outcomes 			

Community Transition Program

Program Logic Model

(6 of 7)

Inputs	Activities	Outputs	Outcomes		
			Short-term	Intermediate	Long-term
			(within 12 months)	(1-2 years)	(3-5 years)
<ul style="list-style-type: none"> • Community Transition Program staff cont.: • Admin. Assistant • CFDCs: <ul style="list-style-type: none"> • Enterprise Brant • Elgin Community Futures Development Corp. • Norfolk District Business Development Corp. • Oxford Small Business Support Centre 	<ul style="list-style-type: none"> • Prepare minutes of PAC meetings • Maintain record of correspondence from OACFDC to projects • Maintain project files • Prepare monthly financial statements and prepare audit working papers • Hire Project Officers to act as project application facilitators • Recommend PAC reps • Sign delivery agreement contract with OACFDC • Sign letter of agreement with OACFDC for each project approved by PAC • Administer funds from OACFDC for each approved project • Execute letter of agreement with third party entity • Submit contract costs to PAC for local CTP staff • Submit travel, supplies, overhead costs to OACFDC • Oversee financial statements/accounts 	<ul style="list-style-type: none"> • PAC meeting minutes • Project files • Monthly financial statements and audit working papers • Project Officers hired • PAC members selected • Delivery agreement with OACFDC • Letters of agreement with OACFDC for each approved project 			

Community Transition Program					
Program Logic Model					
(7 of 7)					
Inputs	Activities	Outputs	Outcomes		
			Short-term	Intermediate	Long-term
			(within 12 months)	(1-2 years)	(3-5 years)
<ul style="list-style-type: none"> • Program applicants • Approved program recipients 	<ul style="list-style-type: none"> • Discuss program guidelines and application requirements with Project Officers • Complete and submit Pre-Proposal Application form • Complete and submit Full Application and Business Case form • Sign letter of agreement with CFDC for delivery of PAC approved project • Meet evaluation milestones as approved by PAC • Prepare final project report for CFDC Project Officer 	<ul style="list-style-type: none"> • Completed Pre-Proposal Application forms • Completed Full Application and Business Case forms • Signed letters of agreements with CFDC • Completion of evaluation milestones • Recipients submit final project reports to CDFC Project Officers (within 30 days of the end of the funding period) 	<p>Program outcomes...</p> <p>Sustainable, Diversified Economy:</p> <ul style="list-style-type: none"> • Increase and/or expansion of alternate business enterprises in the tobacco growing communities of the Counties of Brant, Elgin, Norfolk, and Oxford • Increase of new agri-food processing facilities • Increase of non-tobacco related jobs <p>Community Capacity for Growth:</p> <ul style="list-style-type: none"> • Enhanced institutional capacity for assisting business development and growth <p>Human Capacity for Change:</p> <ul style="list-style-type: none"> • Enhanced education and skills training capacity 	<ul style="list-style-type: none"> • Expanded markets for existing or new crops, processes or products • Increased investment in local enterprises 	<ul style="list-style-type: none"> • Reduction of youth out migration in the tobacco growing communities of the Counties of Brant, Elgin, Norfolk, and Oxford • Sustained economic growth in non-tobacco related sectors

Appendix C CTP Program Summary/Scorecard¹⁴



PART A: PROJECT SUMMARY

Project Title:

File #:

County:

For Review at this PAC meeting date:

CTP Program Officer:

Lead Applicant:

Contact:

Co-Applicants:

Type of Project:

- Sustainable, Diversified Economy
- Community Capacity for Growth
- Human Capacity for Change

Financial Request: Total: CTP: Applicant:

Estimated Start Date:

Estimated End Date (last milestone) :

Letters of Support:

Project Summary:

Project Objectives:

Project Deliverables:

Economic Benefits:

¹⁴ The CTP Project Summary/Scorecard was designed to be completed by CTP Staff and reviewed by the Project Approval Committee.

PART B: OVERALL PROJECT RATING*

Overall project rating*

Granting Principles	
Focused on tobacco growing region of the 4 counties	
Directed at assisting those individuals and communities most affected	
Demonstrates tangible, economic benefits	
Assists the region to diversify its economy	
Demonstrates community support	
Leverages other private or public funding	
Demonstrates strong partnerships	
Takes a regional approach	
Creates opportunities for individuals so as to reduce out-migration	
Category Priorities	
Promotes innovation, research and development	
Explores/expands markets for existing or new crops, processes, products	
Promotes start-up of new agri-food processing facilities	
Expands the industrial capacity of the region	
Promotes the expansion of other economic sectors	
Promotes investment attraction	
Promotes the start-up of alternate enterprises	
Promotes expansion of existing businesses into diverse directions	
Provides market research, technical knowledge and support to communities	
Provides opportunities for youth to work in the community	
Provides information about new crops, processes, technologies and facilitates the integration of these into existing or new enterprises	
Ensures infrastructure is in place to support new technologies and manufacturing processes; facilitates transportation to markets	
Facilitates career change for individuals by providing any of the following: personal and career counselling, prior learning assessment, upgrading, skill training and apprenticeship opportunities	
Creates programs and services for the community which are now not readily available	
Program performance targets	
Number of direct jobs created, upgraded and retained	
Increase in community capacity for economic development	
Level of innovation (products, services, partnerships, solutions)	
Introduction/adoption of new technologies	
Works towards economic diversity in community/region	
Overall Rating (max. depends on no. of items x 5)	
Overall Percentage Rating	

*Ratings: 0 = No evidence, or weak relationship
 3 = moderate evidence
 5 = strong evidence or relationship

Rating of Strong, Moderate or Weak

<u>Criteria</u>	<u>Rating</u>	<u>Comments</u>
Applicant's ability to carry out the proposal and achieve the declared project objectives		
Sustainability of the project		
The do-ability of the project, ease of implementation		
Degree of innovation		
Quality of Partnerships		
Negative impact on local competition		

Job Creation Analysis (example)

<u>Annual Payroll Increase To Grant Request</u>	<u>Ratio</u>	<u>Comments</u>
\$ 67,500 to \$107,000	.63 to 1	15 Seasonal employees Annual payroll calculated by 15 x \$11 per hour x 12 weeks Equivalent to 4 FTE's

PART C: FINANCIAL OVERVIEW

See Attachment "A" Entitled Financial Overview

PART D: DETAILED ASSESSMENT OF PROJECT

Market Analysis:

Project Feasibility:

IMPACT AND BENEFITS OF PROJECT

Impact/Benefits of Project (*Low, Mod, High*)

Benefits to the Applicants:	
Benefits to the local Community/County/Region:	
Benefits to Other Stakeholders:	

TECHNICAL FEASIBILITY OF PROJECT

TECHNICAL REVIEW

Technical Reviewers Comments:

Overall Assessment (*Low, Mod, High*)

Technical Do-ability of Project:	
Ease of Implementation of Results:	
Cutting Edge/Innovation	
Costs within current standards (Yes or No):	

OVERALL ASSESSMENT OF STRENGTHS AND WEAKNESSES

Strengths of the Project as an Economic Development Investment:

Factors that Detract from the Strengths of the Project as an Economic Development Investment:

CTP Staff comments: