

# Community Futures Program – Regional Evaluation

## Regional Evaluation Summary

### About the Evaluation

The evaluation assessed the program relevance, performance, and efficiency of the Community Futures Program (CFP), administered and delivered by PacifiCan in British Columbia (BC). The evaluation covered the period from 2018-19 to 2023-24.

The methodology included surveys, interviews, focus groups, a literature, document and data review, and a review of other programs that provide services similar to the CFP.

### About the Program

The CFP is a national program that was created in 1985 to support community economic development and build the capacity of smaller communities to realize their full sustainable potential. The program provides financial support to Community Futures (CFs) organizations across Canada that provide business services, access to financing, and support related to strategic community economic planning and economic development projects.

PacifiCan is responsible for the administration and delivery of the CFP in BC, providing funding to 34 CFs located across the province, outside of the major urban centres of Vancouver and Victoria. The 34 CFs are members of Community Futures Association of BC (CFBC).

On average, CFs have received nearly \$300,000 annually in funding from PacifiCan. Prior to August 6, 2021, Western Economic Diversification Canada (WD) provided funding for CFs and CF associations in western Canada. Between August 2021 and March 2024, PacifiCan provided \$27,055,617 in funding through the CFP.

### What did we learn?

Overall, the regional evaluation of the Community Futures Program (CFP) in BC found that there is strong continuing need for services provided by the CFP, particularly related to business financing, business services, and community economic development. Key findings include:

- **Effective in supporting small and medium-sized business development**
  - Increased access to capital for SMEs through providing 3,339 loans totalling \$186.8 million, leveraged with funding from other sources.
  - Supported delivery of nearly 115,000 business advisory services and training for over 60,000 business participants, which supported the creation, expansion or maintenance of over 13,000 businesses.

## Community Futures Program – Regional Evaluation

- Representatives from communities served by CFP and CF organizations agreed that the CFP has made an impact on strengthening and expanding businesses, increasing entrepreneurship, improving business practices, and strengthening community capacity for socio-economic development.
- According to Statistics Canada analyses, businesses in BC that receive CFP loans have, on average, higher business survival rates than those which do not.
- **Effective in supporting community economic development**
  - Supported the development of 572 strategic plans, which play an important role in identifying opportunities and challenges affecting community development.
  - Supported the implementation of 2,147 community-based projects, which drive economic growth while supporting broader goals such as affordable housing, employment, and cultural inclusion.
  - Overall, CFP activities related to developing strategic plans and community-based projects saw total project investments of over \$70 million and over 2,700 partnerships.
- **Strong sense that CFP services are needed**
  - Surveys of community representatives and CF managers showed consensus on the strong need for business financing, business information and services, and CED projects and partnerships.
  - CF managers saw less of a need for community strategic planning services because, at times, that need is met by other organizations such as municipal and regional governments. However, strength of need tends to decline as communities grow.
- **Well-established and efficient program design and delivery model**
  - High level of community engagement and local decision-making, flexibility to tailor services delivered to align with local needs, and efforts to leverage other resources, including volunteers and partners and other sources of operating funding.
  - Challenges include the need to modernize the CFP to scale service delivery and streamline operations, refine the funding model, strengthen the Minimum Performance Standards (MPS) Model, increase the value of CFP loans outstanding, and optimize the number and distribution of CFs.
- **Flexibility of program allows for agile response to emerging crises**
  - Leveraging the CFs established through the CFP, new initiatives have been implemented quickly in response to economic conditions and emerging challenges. For example, PacifiCan provided \$5.5 million in non-CFP funding

## Community Futures Program – Regional Evaluation

to CFBC for the Disaster Recovery and Economic Adjustment Initiative (DREAI) to help businesses and enterprising not-for-profits that have been impacted by economic downturns in designated regions across rural BC.

- **Fills gaps in programming**
  - Distinct from other sources of business financing through its focus is on providing comparatively lower value loans to small businesses in rural communities.
  - One of the few sources of business information and advisory services located in rural areas and typically the only local program matching services with access to financing.
  - Communities served by the CFP in B.C. commonly face greater challenges to economic growth and sustainability compared to larger urban centres, including reduced access to business financing and services.
- **Aligned to priorities for business growth and diversification, and inclusiveness**
  - In addition to alignment with PacifiCan’s priorities on business growth and diversification, the program is also aligned with the objectives of the 2019 Economic Development Strategy for Rural Canada.
  - Businesses receiving CFP loans are nearly as likely to be majority-owned or equally-owned by women and more likely to be owned by Indigenous entrepreneurs, but slightly less likely be owned by a youth 29 years or younger.

### Recommendations

1. Support the CFBC in working with CFs to develop and implement a modernization strategy for the CFP in B.C.
2. Review and refine the program funding model, as needed, to ensure sustainability, effectively balance the three sources of funding, and incentivize improvements in operations.
3. Strengthen the Minimum Performance Standards (MPS) Model.
4. Review options to increase the value of CFP loans outstanding.
5. Examine the benefits and, if warranted, develop a strategy or plan to optimize the number and distribution of CFs in B.C.
6. Examine options and develop a strategy to increase the participation of key target groups in the CFP.

A Management Response and Action Plan is included in the full report.