



Economic Development Funding Program Improvements What We Heard

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Table of Contents

Table of Contents.....	1
Executive Summary.....	2
Background.....	3
Engagement Process.....	4
Participation.....	4
Notification	5
Public Meetings.....	6
Interviews and Written Submissions	6
Survey	6
What We Heard.....	7
Quantitative Survey Responses.....	7
Qualitative Responses	10
Transparency	11
Adjudication	12
Intake Process	13
Eligibility	14
Other Factors	16
What's Next?.....	16



Executive Summary

This report is a summary of the quantitative and qualitative input the Department of Economic Development received through a survey on a proposal to combine, expand eligibility, implement intake dates and adjudicate three of its funding programs. The response to the proposal was generally supportive while identifying a number of areas for consideration in pursuing the design of a new fund. Respondent feedback raised concerns on ensuring a level playing field between small business and large enterprise in accessing a single fund, as well as ensuring that the design of an intake process is responsive to small-scale and dynamic opportunities for small business. Respondents supported expanding the range of activities eligible for funding but identified concerns around finite resources, challenges in comparing varied projects and the need for clear evaluative criteria and solid reporting metrics that will enable ongoing measurement of desired outcomes. Respondents expect any changes to funding structures to result in efficiencies for applicants and expect the department to be transparent in communicating funding decisions and delivering on service standards. Based on this feedback, the department will draft an option for a new program(s) that combines some or all of the programs in question and expands the range of eligible project activities to include capital expenditures. The design will include, at some level, an intake and adjudication process while taking into consideration the necessity to maintain flexibility and timely access to the program(s).

What We Heard

Feedback from the public engagement on the Economic Development Funding Program Improvements.

Background

The Government of Yukon, through the Department of Economic Development, administers several economic funding programs that support economic development in Yukon.

The department has made a commitment to complete a review of economic funding programs with the aim of making them more responsive, improving their impact on the economy and reducing any associated red tape. As part of this review, the department engaged with businesses, business organizations and the general public to obtain their input on the current funding programs and potential improvements. Specifically, a lens was cast upon three of the department's criteria-based funding programs:

- Enterprise Trade Fund (ETF) \$360,000
- Strategic Industries Development Fund (SIDF) \$800,000
- Regional Economic Development Fund (REDF) \$800,000

These funding programs have been in place since 2004 and between April 1, 2006 and August 30, 2019, provided over \$21.4 million in financial support for 1,478 projects.

None of the funds have been substantively updated since their inception.

Engagement Process

The primary engagement tool utilized was a survey hosted on the Engage Yukon website. That survey asked Yukoners their thoughts on:

- The guiding principles that will inform the proposed improvements;
- Expanding the range of eligible projects, streamlining client eligibility and instituting set intakes; and
- The concept of combining the three funds.

Our goal in engaging with stakeholders and the public is to introduce the concept of combining the three funds into a single fund and to gather input on ideas to expand fund parameters, implement an adjudication process for funding, instituting intake dates, and any other considerations the public wished to bring forward. Input and feedback from this engagement process will assist the Department of Economic Development to develop a new funding approach and design an appropriate structure for improvements to its funding programs that will better serve the development of Yukon's economy.

Having received, reviewed and analyzed the survey responses, the department will work to develop potential changes to the funds and proceed with a second stage of public engagement on a design for new funding programs.

Participation

We focused engagement on businesses and business organizations, specifically historical users of the funds. We also provided an opportunity for the general public to respond through the survey. From the survey engagement we received 210 individual responses.

What We Asked

Our survey centered on a proposal to combine the three funding programs into a single, adjudicated program. We sought feedback from participants on how the proposed change will affect the following specific funding principles:

- Flexible: Ensure that clients are able to freely self-identify their priority projects for funding consideration;
- Equitable and transparent: Ensure that potential clients are aware of funding opportunities, and that funding decisions are undertaken within an equitable and transparent policy framework; and
- Efficient: Ensure that intake frequency reflects the needs of clients.

We used an online survey and encouraged people who had more to say to contact our office directly.

Notification

A survey to gather input was made publicly available on EngageYukon.ca. Eighty-three stakeholders and partners were contacted directly at the launch of the engagement period advising them of the availability of the survey and to provide contacts for further information or to request an in-person or telephone meeting. A follow-up email to elicit participation was sent to stakeholders and partners partway through the engagement period. Print advertisements were placed in Whitehorse Star, Yukon News, Klondike Sun, L'Aurore boréale, The Echo and The Town Crier for a two-week period. Facebook ads ran with a link to the survey.

Public Meetings

No public meetings were undertaken.

Interviews and Written Submissions

We undertook six interviews with industry stakeholders who contacted our office directly.

Survey

We distributed a survey online made up of multiple-choice and open-ended questions. We received 210 responses during the engagement period.

Of the responses received, 98% of respondents were Yukon residents and 21% of respondents had previously accessed funding through the Enterprise Trade Fund, Strategic Industries Development Fund and/or the Regional Economic Development Fund programs.



What We Heard

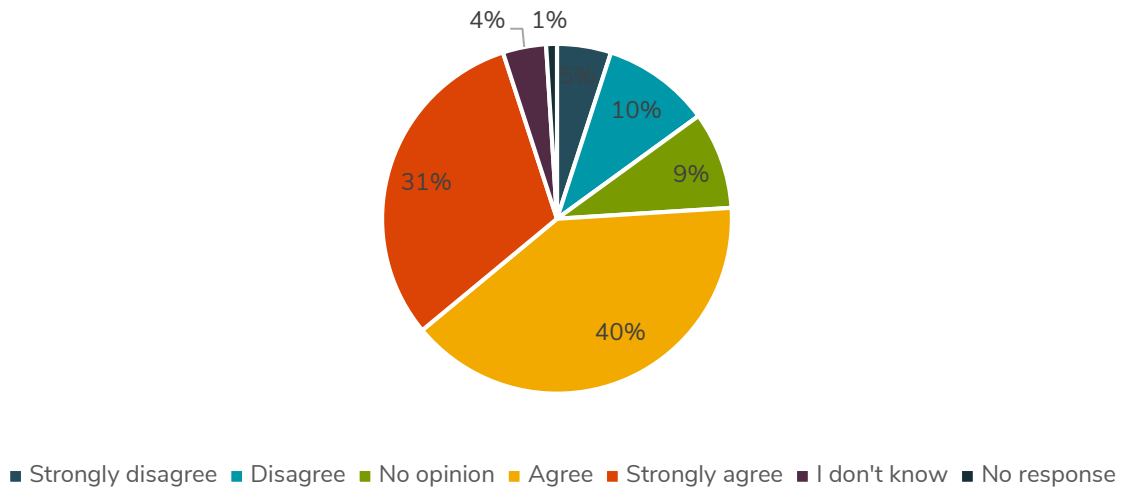
Below is a summary of the input received during phase one of the public engagement.

Quantitative Survey Responses

Expanding the Range of Eligible Project Activities

71% of survey respondents agreed or strongly agreed with a proposal to expand the range of eligible economic development activities under a combined funding program, including for capital projects, with 15% disagreeing or strongly disagreeing.

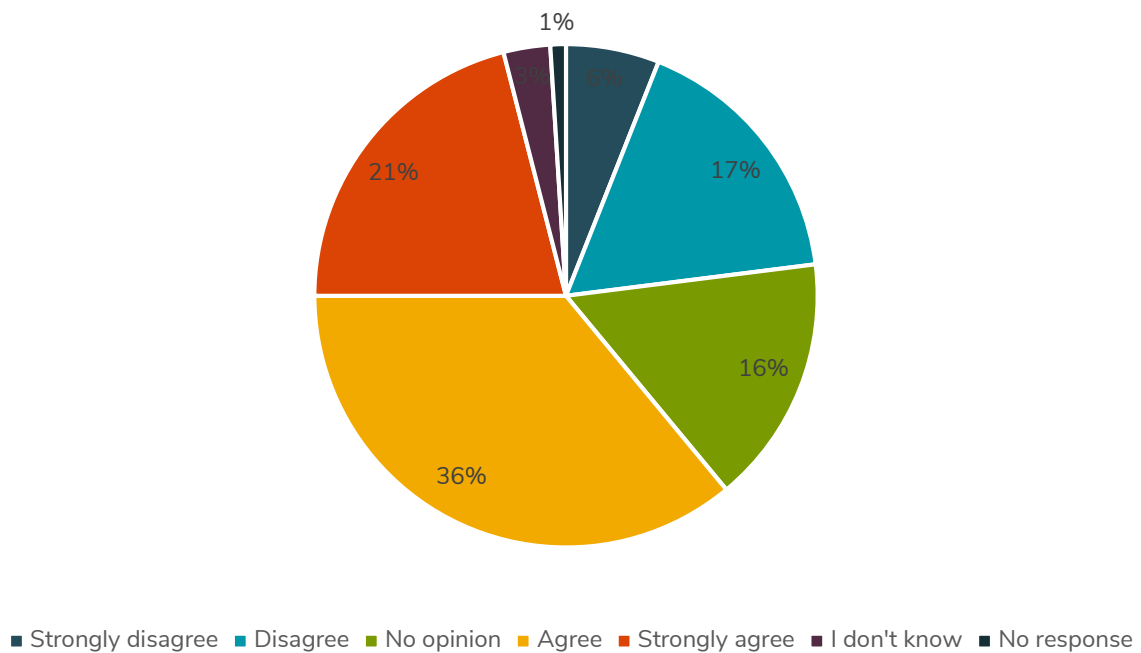
Expanding the range of eligible projects for funding, including capital projects



Implementing Intake Dates

Over 57% of respondents agreed or strongly agreed with a proposal to implement application intake dates for the programs with 23% disagreeing or strongly disagreeing.

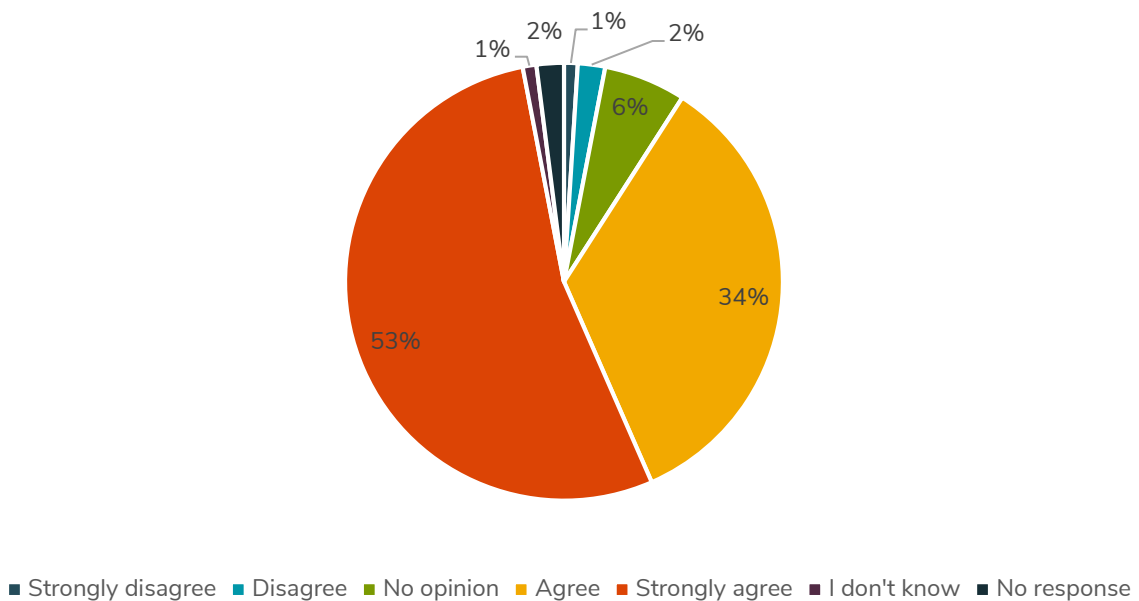
Implementing application intake dates



Implementing an Adjudication Process

Over 87% of respondents agreed or strongly agreed with a proposal to implement a transparent adjudication framework for funding decisions with 3% disagreeing or strongly disagreeing.

Implementing a transparent adjudication framework for funding decisions



Qualitative Responses

The department received 441 individual comments through the open-ended questions in the survey. Responses were analyzed and categorized into the following five themes:

1. Transparency
2. Adjudication
3. Intake Process
4. Eligibility
5. Guidelines and Evaluation

As an indication of the number of participants providing a similar or certain type of input, we use the following terminology:

Term	Participants
A few	Two to five
A handful	Five to 10
Some	10 to 25
Several	25 or more

Transparency

Several of the respondents commented that they would like to see more transparency around the process of awarding funding, including the possibility of making available to the public a list of all projects approved across the department with rationale for the approval of the projects. This could be something similar to the annual report the department produces for the Community Development Fund and could be an annual funding report for the entire department.

Responses also suggested the need for clearer transparency on outcomes for funded projects. Suggestions included the development of strong metrics for measuring the impact of funded projects and making those metrics available to the public in some format. Several comments stated the need for clear and direct communications on funding criteria and an assurance that criteria are adhered to and applied equitably across all project applications. A handful of respondents commented on the need for published service standards for the adjudication of applications.

“Make the eligibility
and adjudication
criteria very clear
and in plain,
understandable
language.”

– Survey
Respondent

Adjudication

We received several comments on the topic of a formal adjudication process in order to determine successful applicants. A handful of respondents commented transparent adjudication can be achieved with the development of clear assessment criteria that measure outcomes and results and that the adjudication process involves reporting

“Maintain advisory committees composed of individuals who do not work for Yukon Government.”

– Survey Respondent

requirements so the impacts of the funding can be determined at the end of the project.

A few respondents noted that comparing projects against each other in adjudication is possible when projects are similar but could become challenging when trying to compare projects that are not alike. There was concern it may be especially difficult when attempting to compare smaller projects to larger ones.

A handful of respondents suggested the adjudication team should include individuals from outside the Department of Economic Development and in some cases from outside the Government of Yukon. There is a sense that including outside adjudicators with technical expertise would add extra rigour to the assessment process and would allow for different perspectives on projects.

Intake Process

Comments on the adoption of intake dates mirrored the survey results in that they were split very closely down the middle on supporting and opposing their adoption.

Of those that opposed intake dates, there was a concern set dates would not be beneficial for the small business community as the need for funding may arise unexpectedly throughout the year. There was also concern intake dates would limit the flexibility of small businesses to work on project applications on a timeline that fits their business cycle and may not line up with other opportunities deriving from other funding sources such as the federal government.

Those that supported intake dates noted the need to have multiple intake dates per year to account for flexibility with the program. Some noted the need to combine the intake dates with service standards for decision-making in order to provide certainty for applicants.

A handful of respondents suggested a combination of intake dates and rolling funding. They noted the value of having at least a portion of the funding available on a rolling basis to smaller-scale projects that may be opportunity driven and for which an intake date may be an artificial barrier to the success of the project.

“Limited, set date intakes are not flexible or responsive to emerging business opportunities and challenges.”

–Survey Respondent



Eligibility

Similar to the survey results, several respondents supported the idea of expanding project eligibility, including for things such as capital expenditures. A handful commented on the need for flexibility on eligible expenses within a project. Comments suggested funding be objective based rather than focused on specific tasks, enabling applicants to alter activities and expenditures during the course of a project to meet outcomes.

A few respondents noted the need for multiyear funding options to give organizations and proponents certainty on longer term projects. One interviewee put forward a concept for conditional funding approvals that applicants could use to seek further financing or to secure partnerships on projects.

A few respondents commented on the need for all businesses and industries to be eligible while a few suggested utilizing a Gender Inclusive Diversity Analysis when weighing eligibility, noting that some proponents may need extra support to achieve equitable outcomes.

A few respondents were concerned that expanding the pool of eligible applicants could increase demand on a finite amount of funding.

“Funding should be available for hard costs, like business start-up, leasehold improvements and capital purchases.”

– Survey Respondent



Guidelines and Evaluation

The department received several comments on the subject of guidelines, criteria and evaluation. In general, the comments suggest the department needs clearer guidelines for funding and more stringent evaluation processes to measure outcomes.

A handful of respondents commented on the need for outcomes-based funding and

“Stipulating project outcomes and a requirement to report on those outcomes will better serve the public.”

– Survey Respondent

reporting requirements that will allow the department to measure those outcomes in the future. There was a lack of clarity among these respondents concerning the metrics the department collects from applicants in order to measure success.

A handful of respondents commented on the need for the department to include climate and sustainability considerations in its project assessments.

A few respondents suggested the department be more transparent with its priorities and utilize those priorities to guide its funding decision-making process. It was suggested this would help applicants better focus their projects.

A few respondents commented that evaluation criteria should focus on positive outcomes for all of Yukon and its economy, not individual businesses.



Other Factors

Additional factors participants identified as important:

- a) A handful of respondents noted the need for simpler application and reporting processes for the programs. It was commented that current processes are burdensome on small business and an online application process would be beneficial.
- b) A few respondents mentioned a need for advisors to assist businesses and organizations to apply for funding, especially in the communities.

What's Next?

Based on this feedback, the department will draft an option for a new program(s) that combines some or all of the programs in question and expands the range of eligible project activities, including capital expenditures. The design will include, at some level, an intake and adjudication process while taking into consideration the necessity to maintain flexibility and timely access to the program(s).

Once drafted, the department will share the proposed fund structure with partners and stakeholders for further feedback on the design of the funding program(s).

