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| **Recommendation #1:**  
The program scope should be widened to include all communities, which are deemed to be heavily dependent on the forestry industry, and not only those which produce a certain "basket of products." | **Agreed.**  
To be considered in future program design decisions where recognition of other needs to address community assistance is required. | When required | Resource Processing Industries Branch (RPIB) |
| **Recommendation #2:**  
Consideration of community-driven, third party delivery models should be made; these may allow government to "piggy-back" onto existing community expertise. Mechanisms and resources should be in place for providing appropriate program administration and oversight related to outreach (e.g., to SMEs, First Nations, smaller and/or more remote communities), and ongoing assistance to clients. | **Agreed.**  
FedNor employs the Community Futures Development Corporation (CFDC) organizations to deliver its programs routinely. FedNor did not use the CFDC network to deliver SICEAI. Western Economic Diversification (WD) opted to utilize the CFDC network for the SICEAI program as a means of establishing an on-the-ground delivery capacity with direct representation throughout rural British Columbia where funding recipients are located. The use of CFDCs and other local, non-government delivery partners must entail the provision of funds for outreach, client assistance, administration activities to ensure community participation, and local oversight and reporting consistency in project delivery and in the measuring/monitoring of impacts of projects. | When required | RPIB |
| **Recommendation #3:**  
Program Terms and Conditions should be kept flexible. In particular, the program’s criteria for project and proponent eligibility, as well as the processes for project application, review, selection, and budget allocation must be clearly tied to the program goals and objectives and additionally must | **Agreed.**  
In the case of the SICEAI program, Industry Canada’s only function was to administer funds which were distributed to Regional Development Agencies (RDAs) and FedNor for program delivery. The RDAs and FedNor selected and managed projects within the fairly general guidelines that were provided, based on their extensive experience in the sector and their region. Future program delivery would likely benefit from more clarity in program guidelines. | When required | RPIB |
be thorough, objective, and transparent. As well, there must be no opportunity for contributions to be made which might potentially be seen as subsidies by U.S. or other international interests.

Management Response to Program Evaluation of SICEAI  
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<td><strong>Recommendation #4:</strong> Set a longer program duration from the outset.</td>
<td>Length of program duration is a key aspect which will be taken into consideration in future program design decisions for this sector.</td>
<td>When required</td>
<td>RPIB</td>
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<td>This would allow better identification of community needs, better preparation of applications, an easier review process, and a more realistic time frame for completion of individual projects (especially those requiring Environmental Assessments.)</td>
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<td><strong>Recommendation #5:</strong> Industry Canada (IC) needs to be able to anticipate problems within the industry, and begin a process of adjustment sooner, rather than having to wait for a crisis and huge number of layoffs to be the trigger to initiate a program.</td>
<td><strong>Agreed</strong>. The Forest Industry Directorate (FID) of RPIB is working to improve its level of industry knowledge, including developing provincial and sub-sector profiles for the forest sector as well as increasing liaison within the federal system so as to provide more informed advice to senior departmental managers.</td>
<td>Ongoing</td>
<td>FID/RPIB</td>
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<td><strong>Recommendation #6:</strong> IC should consult extensively with FedNor and Regional Development Agencies at the early</td>
<td><strong>Agreed.</strong> In any future program design IC will consult extensively with FedNor and Regional Development Agencies at the early design stage.</td>
<td>When required</td>
<td>RPIB</td>
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Recommendation #7:
Similar early consultation with the provinces, and increased efforts to engage the provinces by demonstrating the joint aspects of the issues, may result in greater federal/provincial collaboration and an increased ability to obtain co-funding.

Agreed.

The provinces and territories are consulted regarding the issues confronting the forest sector and their views would be taken into consideration in new programming design decisions.

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Recommendations

Recommendation #8:
The allocation of contributions should respond to community needs, as they currently exist, rather than pre-conceived ideas or targets.

Agreed.

Decisions as to which projects to support would be made by the RDAs and FedNor that reflected community-driven needs and priorities that met program and due diligence requirements.

Recommendation #9:
A simpler model would offer reduced effort by clients and government alike, more transparency, and easier communications. Industry Canada should investigate simpler models than the use of OGD suspense accounts; e.g., those which assign more responsibility and accountability within the RDAs, including responsibility for repayables.

Agreed.

Design of future programs would take a simpler model into consideration.

Agreed.

The five year post-project completion monitoring period would likely exceed the life of the
Recommendation #10:
A simple, long-term performance monitoring system should be instituted which follows-up with 100% of clients on an annual basis for at least five years following completion of each project. This will allow accurate, robust, and defensible data to be obtained on the true long-term impacts on job creation and maintenance. The follow-up could be done by the RDAs and FedNor.

Funds for this type of monitoring would have to be identified from other sources within each RDA, FedNor or department. The monitoring period should be examined and determined during the design stage of future programs.

Agreed

When required

Recommendation #11:
A dedicated cost-effectiveness study of the economic benefits resulting from SICEAI and other similar initiatives should be conducted. This would be of great interest to Industry Canada, RDAs, FedNor, the CFDA, and other economic development organizations for any individual program.

Assuming that funding is made available for post-completion monitoring of projects as well as funding for the necessary analysis involved in the conduct of a cost-effectiveness study, such a study could be feasible.

Agreed

When required