

**REVIEW FRAMEWORK  
AGRI-FOOD TRADE 2000 (AFT 2000)  
EXECUTIVE SUMMARY**

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July 1999



**Agriculture and  
Agri-Food Canada**

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Agroalimentaire Canada**

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# **Review Framework of Agri-Food Trade 2000 (AFT 2000)**

## **Executive Summary**

### **Introduction**

AFT 2000 began in 1995/96 and is the key discretionary funding program for agriculture and agri-food market development. The objective of AFT 2000 is to increase sales of agriculture, food, and beverage products in domestic and foreign markets. The program targets agriculture and agri-food producers, processors, and exporters principally through industry organizations. AFT 2000 has an annual budget of \$13 million and the program was originally scheduled to sunset in 2000/01.

As per the terms and conditions of AFT 2000, an evaluation of the program needs to be undertaken by Agriculture and Agri-Food Canada (AAFC) prior to its termination. To date, an evaluation of the Product Promotion Sub-Element (PPS) as well as a mid-term Management Led Review of the overall AFT 2000 program have been carried out.

Presently, management is in the process of seeking an ongoing extension of AFT 2000. This will allow a realignment of the program with the Canadian Agri-Food Marketing Council's (CAMC) goal of capturing four percent of the world agri-food trade by the year 2005 and increasing the proportion of value-added agri-food exports to 60 per cent of the total.

To assist in these endeavors, Review Branch was requested by program managers to :

- provide feedback on the two previous reviews;
- develop a set of criteria for project assessment and selection; and
- develop a review framework for AFT 2000 that would assist management in understanding, improving, and reporting on program performance and effectiveness

Our work is based on the four performance attributes established by the Departmental Management Committee (DMC):

- Relevance, Appropriateness & Acceptance
- Results
- Costs/Benefits
- Management Effectiveness

The report is presented in PowerPoint format. This is being done on a pilot basis as an attempt to ease the reporting process and to facilitate the understanding depending on who the audience might be.



## **Overall assessment of previous reviews**

While only limited quantitative data were available from the reviews, the studies reported that the program was accomplishing its objective. Both studies revealed that clients were satisfied with the program and expressed a strong need for its continuation. Certain program design features were considered limiting. These included time frame, fair access to funds, and eligible activities. As a result of this work, changes were made to improve program design, delivery and administration.

Previous reviews gathered crucial and relevant information. In our opinion, however, data were anecdotal rather than systematically quantitative. As such, this review framework focuses on the need to capture all four performance criteria established by DMC to ensure a balance between quantitative and qualitative information and to develop the basis for the full evaluation required by the Treasury Board.

## **Interview findings**

During the interview process, a number of issues were raised by AFT 2000 project managers. These included departmental strategy for investment and its relationship with AFT 2000, better communication of AFT 2000 objectives and project selection criteria, national versus regional projects and domestic market initiatives.

## **Project selection criteria**

A list of project selection criteria was established in order to have a common, consistent, transparent and measurable basis for project selection within the program. The list will help project managers identify anticipated project results that are most relevant to the achievement of the overall objective of the program, and assess the relative merits of project applications accordingly. It is recommended that the criteria be used for all AFT 2000 projects. The proposed list of criteria includes the projects ability to:

- maintain or increase sales in dollar value (volume may also be considered);
- maintain or increase value-added sales in dollar value (volume may be considered);
- maintain or increase jobs in Canada;
- maintain or increase investment in Canada-based assets in dollar value; and
- increase number of clients or potential clients made aware of Canadian agricultural or agri-food products.

It is also recognized that a certain amount of judgement is needed to review applications to respond to specific needs of the industry and ensure equity across sectors. As well, performance results of previous projects should be considered whenever possible. Additional performance information may also be considered such as market share and qualitative information to explain deviations from project plans as a result of factors beyond the applicants control (e.g. Asian economic downturn).



## Review Framework

A review framework was developed to help program managers identify information needs from applicants, assess project applications and on-going program performance. The framework will also act as the information base for a comprehensive review of the program.

As part of the framework, a program model was developed to demonstrate the relationships between the activities funded by the program, the expected results of these activities, and the ultimate objective of increasing or maintaining sales. This model, attached as Figure 1, makes it easier for program management to define their various information needs.

It is important that management has access to information on a regular basis in order to monitor the program performance. The report identifies a number of indicators that will assist managers in their monitoring endeavours and help identify potential areas for improvement. The indicators alone will not give a complete picture of the overall effectiveness of the program and its administration. In order to understand performance, management will need to collect additional information across the four performance attributes that have been established by DMC. The report identifies a number of questions that need to be addressed to obtain a complete picture of program effectiveness. For example, “To what extent are program objectives being achieved?”, “What are the AFT 2000 program costs in relation to the benefits provided?”, and “How well is the department managing the program?”. It also identifies indicators to answer these questions along with the methodology to collect the answers. Because much of this type of information is not practical to track on an ongoing basis, special efforts will have to be made; for example through stakeholders interviews and surveys. This will be done as part of an evaluation to be conducted by Review Branch which is scheduled for 2001/2002.

## Recommendations

1. Expanding Markets has developed a strong business line that focuses on Market Access, Market Development and Investment. During the interviews for this project, it became evident that the overall departmental strategy for investment was not clear. As well, project managers did not know whether the AFT 2000 program supports investment projects, and if so, is the support for projects inside or outside of Canada or both. It is therefore recommended that management look at the relationship between AFT 2000 and investment as it reviews its overall strategy for investment Key Results Area.
2. A communication strategy should be developed to inform all parties of the AFT 2000 program changes. Clarification of the revised program objective should be part of the strategy. As well, both internal and external clients should be advised of the new project selection criteria.
3. The report includes an implementation plan to obtain the required information to monitor and understand performance. It is recommended that management take steps to implement this plan.
4. Management should refer to issues raised during interviews with project managers such as product development and commercialization, national versus regional projects, domestic market, program objective of increasing sales. We feel that some issues could merit attention and be incorporated into the communication strategy.



# Program Model

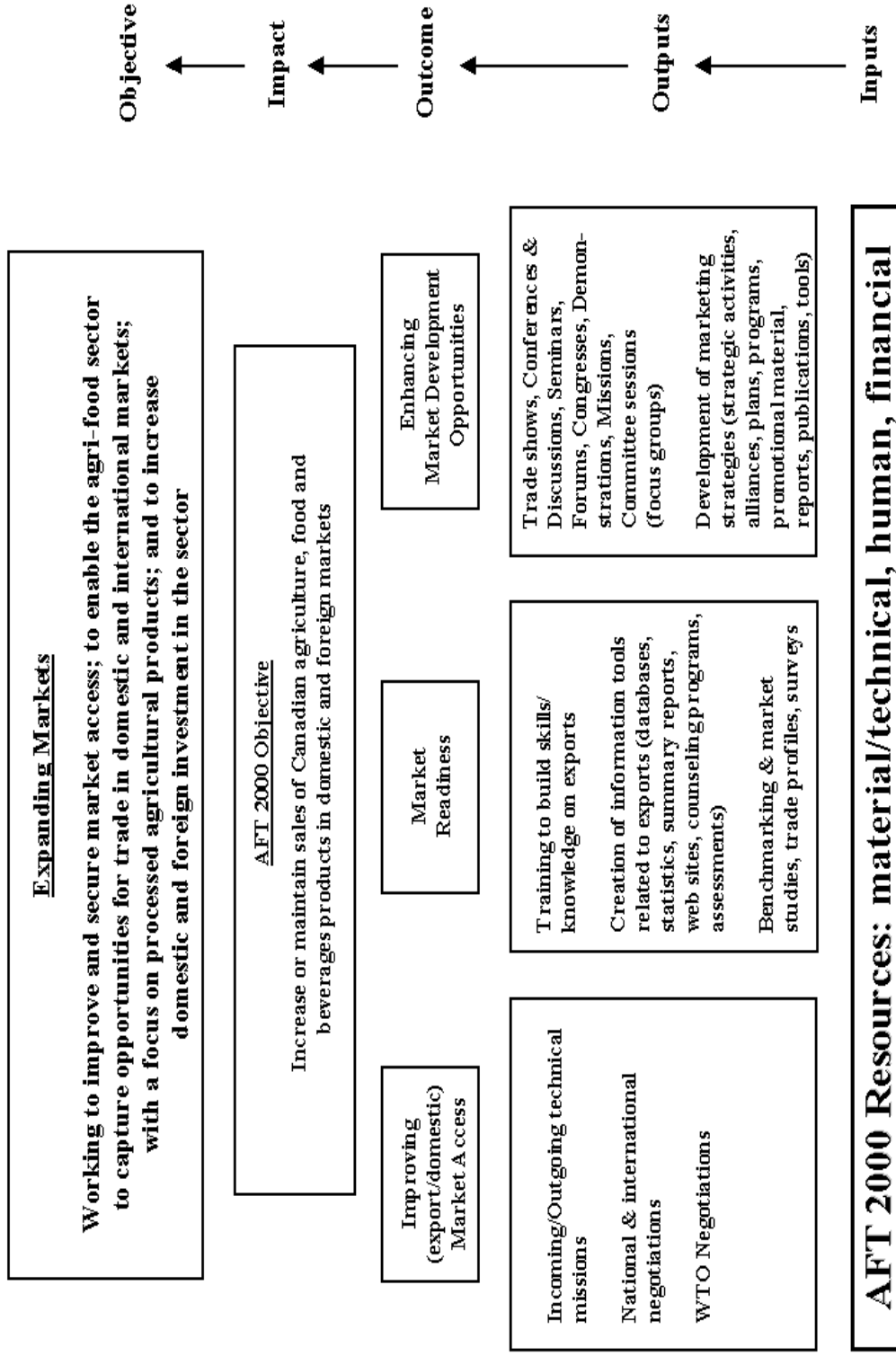


Figure 1