



# Canada Economic Development for Quebec Regions

## Performance Report

For the period ending  
March 31, 1999

Canada

## **Improved Reporting to Parliament Pilot Document**

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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## Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis what was known as the annual *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report*.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

This year, the Fall Performance Package is comprised of 82 Departmental Performance Reports and the government's report *Managing for Results - Volumes 1 and 2*.

This *Departmental Performance Report*, covering the period ending March 31, 1999, provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's pilot *Report on Plans and Priorities* for 1998-99. The key result commitments for all departments and agencies are also included in Volume 2 of *Managing for Results*.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine and develop both managing for and reporting of results. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site:  
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# **Canada Economic Development for Quebec Regions**

## ***Departmental Performance Report for the Period Ending March 31, 1999***

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**John Manley**

**Minister Responsible for the  
Economic Development Agency of Canada  
for Quebec Regions**

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## Part I Messages

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### Minister's Portfolio Message

At the dawn of the new millennium, Canada, with its strong and dynamic economy, is well positioned to take a lead role in the global knowledge-based economy and to reap its benefits for all Canadians. The new global economy is fundamentally different from the one we have known for most of this century: its key building blocks are knowledge, information, innovation and technology, and it is changing at an unprecedented pace. Today, it is important for businesses and individuals to be connected to the Information Highway, but tomorrow it will be essential. Electronic communications are breaking the barriers of time and distance, and the effects are being felt everywhere in Canada, from the largest cities to remote areas where the Information Highway is the only highway.

*Members of the Industry Portfolio:*

Atlantic Canada Opportunities Agency  
Business Development Bank of Canada\*  
Canadian Space Agency  
Competition Tribunal  
Copyright Board Canada  
Canada Economic Development for Quebec Regions  
Industry Canada  
National Research Council Canada  
Natural Sciences and Engineering Research Council of  
Canada  
Social Sciences and Humanities Research Council of  
Canada  
Standards Council of Canada\*  
Statistics Canada  
Western Economic Diversification Canada

*\*Not required to submit Performance Reports*

To keep Canada in the vanguard of this global economy, the government is investing heavily in knowledge, innovation, and connectedness, in order to generate highly paid jobs and a better standard of living for Canadians. As Minister of Industry, I am responsible for a Portfolio which brings together most of the federal departments and agencies responsible for promoting innovation through science and technology and advancing knowledge. With over 40% of federal spending on S&T, a wide range of programs to help businesses—especially small and medium-sized businesses—in every region of the country, an electronic commerce framework used as a model worldwide, and flexible support for exporters, the Industry Portfolio is a powerful toolkit to help Canada make the transition to the knowledge-based economy and society of the 21<sup>st</sup> century.

The trend towards globalization also poses other challenges for Canada, which has one of the most open economies in the world. The Industry Portfolio is working with the public and private sectors and universities to help Canadian companies respond and adapt to these challenges, so they can become and remain competitive in the global market. The government's agenda is based on seizing the opportunities presented by the global economy to create jobs and wealth for Canadians, and the Industry Portfolio has a key role in delivering this agenda.

I am pleased to present this Performance Report for Canada Economic Development for Quebec Regions. This report shows the contribution that Canada Economic Development is making to the government's agenda by setting out the commitments that the Agency has made and measuring its success in meeting these commitments over the 1998-1999 fiscal year.

In 1998-1999, the Agency continued to support the development and expansion of small and medium-sized enterprises (SMEs) through its services and programs. In order to provide even more services for SMEs, the Agency has, over the past few years, created partnerships with a number of intermediary groups. A survey of Canada Economic Development's partners and clientele indicates that almost 2,000 clients received information, advice and financial assistance in 1998-1999. Moreover, the assistance provided to firms allowed technology development as well support for export development. The support of the Agency and its partners also enabled many enterprises to start up or expand. A long-term study indicates that job creation is sustainable, which means that the assistance provided by the Agency has a prolonged impact, lasting even for several years after it has ended. Lastly, client satisfaction with services received remains very high. Over 90% of the clients of the Agency and its partners express satisfaction with the services received.

I am proud of the contribution the Industry Portfolio makes toward the government's priorities of building a stronger Canada, creating opportunities for Canadians, and investing in knowledge and innovation.

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The Honourable John Manley



## Message from the Secretary of State

The results obtained during 1998-1999 are marked both by a concern to act in continuity with business and a desire to make our activities innovative. This bears witness to the accuracy of our vision and the relevance of the strategies implemented to promote the economic growth of the regions of Quebec.

In 1998-1999, the Agency created a new tool intended to support major initiatives likely to strategically impact the economy of the various regions of Quebec. Developed jointly with communities, *Regional Strategic Initiatives* (RSI), support activities that promote, at regional level, the emergence of an economic environment favourable to investment, the development of strategic projects and the creation of high-quality jobs.

Moreover, in the spirit of continuity, the Agency maintained its commitment to the strategic role played by small and medium enterprises (SMEs) as the motor for economic development and their overwhelming contribution to job creation. Building on the dynamism of Quebec SMEs, the Agency strove to support the efforts of small and medium enterprises to position themselves in today's world, one that is characterized by market globalization, technological breakthroughs and strong competition.

In keeping with its support to SMEs, the Agency continued its efforts to bring Government of Canada programs and services closer to Quebec enterprises. Its many partnerships with a variety of departments and organizations, particularly within the Industry Portfolio, continue to ensure that as many firms as possible benefit from federal government expertise in a wide range of areas. In addition, the Agency was provided the opportunity to contribute its expertise within Team Canada.

The development of strategic alliances with partners in the economic development community continued and continues to receive priority attention from the Agency. Pursuant to the efforts undertaken in previous years, Canada Economic Development created a number of partnerships to increase the diversity of the assistance provided for enterprises and to expand service delivery methods. This approach has allowed for the implementation of new and effective methods of ensuring that government programs are carried out according to the needs expressed by the community and in keeping with community values.

It is within this context that the Agency has been working closely with the 54 Community Futures Development Corporations (CFDCs), providing financial support to stimulate local economic development initiatives in every region of Quebec. This co-operation between the Agency and the CFDCs has been of special significance in terms of job creation and entrepreneurship support for young people. Indeed, a number of them have been able to benefit from financial assistance to purchase, establish, expand or modernize a business. In the same vein, the Agency supports the growth of small enterprises in urban areas by providing financial support for 13 Community Economic Development Corporations (CEDCs) in many regions of Quebec.

In conclusion, I would like to draw attention to one result of which the Agency can be especially proud in 1998-1999, namely the level of client satisfaction. Indeed, 90% of the Agency's clients indicated they were satisfied with the information, advice and financial assistance services received from Canada Economic Development. In my view, this result is particularly eloquent testimony to the effectiveness of Agency activities and the expertise of its staff.

Overall, the *1998-1999 Performance Report* enables us to conclude that Agency activities had considerable economic impact on job creation and safeguarding, on increasing exports and investments and on the implementation of new production technology. The emergence of high level technology sectors and the intensification of electronic commerce will provide new growth opportunities.

I personally plan to push ahead vigorously with the mission I have been given as Secretary of State for the Economic Development Agency of Canada for Quebec Regions. I remain convinced that our activities provide continuous support for our fellow citizens in their desire to contribute to the prosperity of our country.

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The Honourable Martin Cauchon  
Secretary of State

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## Summary

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In keeping with the commitment made in 1997-1998 for the years 1998-1999 to 2000-2001, the Agency continues to support the development and expansion of small and medium enterprises (SMEs) through a variety of services and programs. In addition, in order to improve its support for the economic growth of the regions of Quebec, the Agency developed, consistent with the previous year, a series of Regional Strategic Initiatives (RSIs) intended to support major projects likely to have a strategic effect on regional economies. In fact, the RSIs are meant to foster the emergence of a socio-economic environment that will strengthen competitiveness, progress and economic growth in the regions of Quebec in the context of economic globalization.

In order to accomplish its mission, the Agency has, over the past few years, formed partnerships with intermediary groups to better serve Quebec SMEs and regions. Again in 1998-1999, the Agency is reporting on the results recorded by some of its partners. It is important to mention the special relationship which Canada Economic Development has established with the Community Futures Development Corporations (CFDCs).

Also of note is a survey of the clients of the Agency and its partners indicated that almost 2,000 clients were provided information, advice and financial assistance in 1998-1999. More than 300 of these clients benefited from information and advice, hundreds of enterprises received financial assistance from the Agency for technology development and nearly 1,000 others received financial support for export marketing or market development. Financial assistance was a determining factor for almost 80 new exporters and over 100 others who identified potential markets outside Canada. Agency support also allowed for the expansion or startup of more than 50 new firms. It is also important to add that about 100 other companies began activities through technology incubators and university entrepreneurship centers which are supported by the Agency. As for the CFDCs, they provided services to more than 850 enterprises.

The activities of the Agency and its partners also resulted in the creation of some 8,000 jobs and the safeguarding of more than 50,000 others in 1998-1999. A long-term study reveals that sustainable jobs have been created. In other words, the assistance provided by the Agency has long lasting effects, even years after it has ended. Finally, client satisfaction with respect to services received remains very high. Indeed, more than 90% of the Agency's direct clients and its partners' clients express satisfaction.



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## Part II Agency Overview

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Canada Economic Development's mission is as follows:

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*"The Economic Development Agency of Canada for Quebec Regions, through its commitment to providing its clients with services adapted to their needs, supports development of the economic potential of the regions of Quebec and the creation of sustainable employment by fostering a business climate that enables SMEs to prosper and grow."*

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### A. MANDATE, RESPONSIBILITIES AND ROLES

The Economic Development Agency of Canada for the Regions of Quebec is *mandated* to promote the economic development of the regions of Quebec.

Section II of the *Department of Industry Act* defines the *responsibilities* of the Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec.

The Agency's *role* within the Government of Canada is defined as **carrying out federal activities for the economic development of the regions of Quebec, harmonizing federal activities, advocating with the structure of the federal government, promoting and delivering federal programs and services and carrying out special economic development and job creation mandates in Quebec.**

### B. OPERATING FRAMEWORK

Canada Economic Development is a member of the Industry Portfolio and as such is accountable to the Minister of Industry, who is supported in his responsibilities relative to the economic development of the regions of Quebec by a Secretary of State.

## Objectives

Under the *Department of Industry Act*, the Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec must pursue the following objectives:

- to promote economic development in areas where low incomes and slow economic growth are prevalent or where opportunities for productive employment are inadequate;
- to emphasize long-term economic development and sustainable employment and income creation;
- to focus on small and medium enterprises and the development and enhancement of entrepreneurial talent.

## Strategic Priorities

The Agency's strategic priorities for the period of 1998-1999 to 2000-2001 are as follows: **technological development** to strengthen the competitive position of small and medium businesses; **market development**; **development of entrepreneurship and business climate**; **local economic development** and **the adjustment capabilities of the regions**.

Internally, the Agency gives priority to operating methods, communications management, liaison and advocacy within other federal departments and central agencies and human resource management.

### 1. Challenges

The federal strategy for the economic development of the regions of Quebec is part of a response to the large-scale public, economic and social challenges faced by the government of Canada and, more specifically, the Industry Portfolio. Economic growth and job creation in every region of the country remain central to federal government priorities.

The challenges for the Agency are, on the one hand, **to enable every region of Quebec to develop its potential** and, on the other hand, **to provide more adequate support for some target groups, including young people, Aboriginal peoples and rural populations**, and to encourage them to adopt an entrepreneurial approach.

The Agency's Report on Plans and Priorities (RPP) provides further detail on the role of Canada Economic Development within the federal government.<sup>1</sup>

## **C. AGENCY ORGANIZATION**

### **1. Introduction**

Canada Economic Development's head office is located in Montreal. The Agency also has a network of 13 regional business offices in the regions of Quebec, an office in Hull, which ensures liaison with federal departments and central agencies, and a virtual office where clients can submit an application for financial assistance or information through the Agency's Internet site.

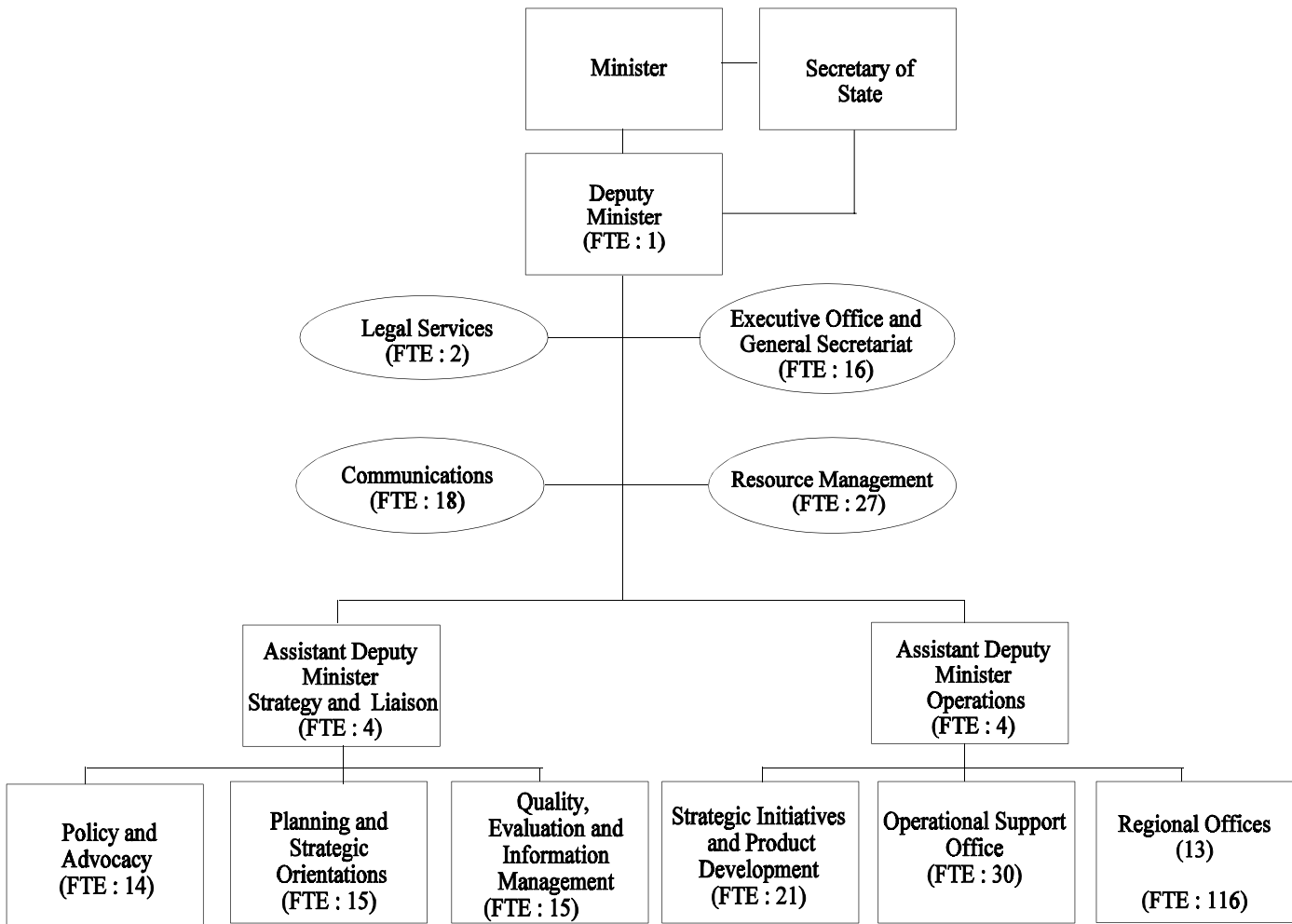
### **2. Organization Chart for the Economic Development Agency of Canada for Quebec Regions**

The Agency's organization chart is shown on the next page.

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<sup>1</sup> The Internet site of Canada Economic Development is [www.dec-ced.gc.ca](http://www.dec-ced.gc.ca)

## Organization Chart for the Economic Development Agency of Canada for the Regions of Quebec





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## Part III Agency Performance

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### A. FINANCIAL INFORMATION FOR 1998-1999

Actual expenditures of \$328.6 million were \$90.8 million or 22% less than the total authorities of \$419.4 million.

The difference between the total authorities of \$419.4 million and actual expenditures of \$328.6 million results mainly from lower than expected needs for the Economic Recovery Assistance Program (ERAP) and the Canada-Quebec Infrastructure Works Program.

A more detailed explanation of the financial discrepancies is presented in Appendix I.

**Table A-1: Financial Information**

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Canada Economic Development for Quebec Regions	
<hr/>	
Planned spending <sup>1</sup>	\$408,875,778
<i>Total authorities</i> <sup>2</sup>	\$419,411,636
<b>Actual expenditures in 1998-1999</b> <sup>3</sup>	<b>\$328,633,488</b>

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<sup>1</sup> *Forecast expenditures based on information available when the 19980-1999 Report on Plans and Priorities was prepared.*

<sup>2</sup> *Including additional spending approved by Parliament to enable departments to adjust to changing priorities and unforeseen events; and*

<sup>3</sup> *Actual spending in 1998-1999.*

## B. PERFORMANCE EXPECTATIONS

This section defines the performance priorities established by the Agency in 1997-1998 for fiscal years 1998-1999 to 2000-2001.

**Table B-1 : Agency's Main Commitments in terms of Performance** <sup>4</sup>

Canada Economic Development for the Regions of Quebec		
To provide Canadians with:	Demonstrated by:	Achievements reported for 1998-1999 in:
1. Contribution to the growth of small and medium enterprises (SMEs) in every region of Quebec	<ul style="list-style-type: none"> <li>• Access to information for entrepreneurs</li> <li>• Awareness for innovation and export</li> <li>• Level of innovation and Research and Development (R &amp; D)</li> <li>• Level of exports</li> <li>• Number of business start-ups</li> <li>• Job creation and maintenance</li> <li>• Level of client satisfaction</li> </ul>	<p>Part III, section C, 3.2.1, i. of DPR <sup>5</sup></p> <p>Part III, section C, 3.2.1, ii. of DPR</p> <p>Part III, section C, 3.2.1, ii. of DPR</p> <p>Part III, section C, 3.2.1, iii. of DPR</p> <p>Part III, section C, 3.2.1, iv. of DPR</p> <p>Part III, section C, 3.2.1, v. of DPR</p> <p>Part III, section C, 3.2.1, vi. of DPR</p>
2. Support to the development of economic potential in Quebec regions via regional strategic initiatives	<ul style="list-style-type: none"> <li>• Technological capability in regions</li> <li>• Level of international tourists in different Quebec regions</li> <li>• Number of international events</li> </ul>	Part III, section C, 3.2.2 of DPR

<sup>4</sup> *This summary of Performance Expectations is an upgraded version of the table submitted in the Performance Report for the period ending March 31, 1998. Refer to the Consolidated Table presented in Appendix V.*

<sup>5</sup> *DPR: Departmental Performance Report.*

3. Support the economic development of local communities in Quebec	<ul style="list-style-type: none"> <li>• Startup and expansion of small local enterprises</li> <li>• Job creation and maintenance</li> </ul>	Part III, section C, 3.2.3 of DPR
4. Special measures for disrupted regional economies in Quebec	<ul style="list-style-type: none"> <li>• Startup of small enterprises</li> <li>• Job creation and maintenance</li> </ul>	Part III, section C, 3.2.4 of DPR

## C. PERFORMANCE ACHIEVEMENTS

### 1. Introduction

Revised during the first quarter of 1999, the Performance Measurement Policy provides Canada Economic Development the opportunity to: (1) have access to relevant and up-to-date information on the performance of its policies, programs and operations; (2) to use this information to improve its management, effectiveness and efficiency; (3) to report the results of its activities to the central agencies, the Canadian Parliament and Canadians. Consequently, another of the Agency's objectives is to develop **a common method for measuring all activities carried out by the Agency, both directly and through its partners.**

Lastly, ISO 9002 certification of all the Agency's offices now enables the Agency to measure the level of client satisfaction with respect to its programs and to improve service delivery in light of these findings.

### 2. Methodology

Results are presented on the basis of key indicators for each Agency program and activity. The data consist of raw information, on which no extrapolation has been carried out.

The Agency does not attempt to evaluate every aspect, but rather to report on **the results of the most representative programs and activities.** The following pages thus do not present an exhaustive picture. For example, since the RSI Program was only recently implemented, the results of only a few of these initiatives are presented in this Report.

The Agency is also reporting on the results obtained by some of its partners, including the Community Futures Development Corporations (CFDCs), the *Groupement des chefs d'entreprise du Québec* and the regional export promotion organizations (ORPEX). Appendix II contains a detailed list of these organizations.

In co-operation with its partners, the Agency is implementing performance measurement frameworks in order to measure results more adequately and to better understand the impact of its own activities. The Agency hopes to thus improve the efficacy of its programs and improve its accountability to Parliament

### **3. Achievements**

#### **3.1 Level of Business Activity (immediate results or output)**

Tables C-1 and C-2, which follow show changes in the number of financial assistance and information and advice cases handled directly by the Agency under its main programs, and by some of its partners. It is important to note that the number of cases handled under the IDEA-SME Program declined in 1998-1999, a situation that resulted from the introduction of the Regional Strategic Initiatives (RSI) Program. Projects developed within this program generally represent considerable financial investments; they require a complex socio-economic analysis and in-dept consultation of regional stakeholders. Their implementation involves the establishment of solid partnerships with local organisations.

**Table C-1: Level of Business Activity for Services Provided by the Agency**

Main Programs / Fiscal years	Number of cases <sup>6</sup>	
	1997-1998	1998-1999
<b>Financial cases</b>		
IDEA-SME ( including those under the SPCQ)	1,440	1,033
Program for Export Market Development (PEMD) <sup>7</sup>	100	102
Regional Strategic Initiatives (RSI)	12	64
Community Futures Program (CFP) (including the Youth Strategy)	62	170
Temporary Economic Reconstruction Program (TERP)	334	88
Economic Recovery Assistance Program (ERAP)	84	3,347
<b>Sub-total (financial cases)</b>	<b>2,032</b>	<b>4,804</b>

<b>Information-advice cases</b>		
IDEA-SME	480	321
<b>Total (financial and information-advice cases)</b>	<b>2,512</b>	<b>5,125</b>

<sup>6</sup> *All financial cases analyzed, both accepted and refused.*

<sup>7</sup> *The PEMD is delivered by the Agency, but the Department of Foreign Affairs and International Trade (DFAIT) is responsible for program budgets and expenditures.*

Some partners deliver programs and services to SMEs on behalf of the Agency. These include information and advice, financial assistance and other business support. The table below provides data on the business activity levels of some of these partners.

**Table C-2: Level of Business Activity for Services Provided by some Agency Partners**

Partners/fiscal year	Number of cases	
	1997-1998	1998-1999
Community Futures Development Corporations (CFDCs)/Results reported by 15 of the 54 CFDCs	645	888
Groupement des chefs d'entreprise du Québec	306	315
Regional export promotion organizations (ORPEX)/Results reported by 5 of the 17 ORPEXs	119	188
<b>Total</b>	<b>1,070</b>	<b>1,391</b>

## 3.2 Results

This section brings together the Agency's main programs and services, broken down by the activity priorities identified in Column 1 of Table B-1 on page 16, *Summary of Agency Performance Achievements for 1998-1999 to 2000-2001*.

Results presented in Section 3.2.1. are mainly those of the IDEA-SME program unless otherwise stated. A short description of this program, and its results, are presented below.

**IDEA-SME PROGRAM** - This program is aimed at SMEs and the organizations that support them. It provides information-advice and financial assistance for activities in the following areas: innovation, research and development and design, market development, export marketing, entrepreneurship and development of the business climate.

<b>IDEA-SME Program</b>	<b>(in \$M)</b>
Forecast expenditures	50.0
<i>Total authorizations</i>	71.2
<b>Actual expenditures in 1998-1999</b>	<b>71.2</b>

An explanation of the discrepancies between forecast expenditures and actual expenditures is provided in Appendix I.

### 3.2.1 Contribution to the growth of small and medium enterprises (SMEs) in every region of Quebec

#### i. *Access to information for entrepreneurs*

To promote the growth of SMEs, the Agency provides an information service which is delivered through its own programs and those of its partners. Each year, the Agency itself responds to a multitude of information requests or, when required, refers its clients to other departments or specialized agencies.

<b>1998-1999 commitments, based on the RPP:</b> <ul style="list-style-type: none"> <li>• Holding of five Conferences/Info-Fairs</li> <li>• Establishment of about 60 Canada Business Service Centres (CBSCs)</li> </ul>	<b>Attainment of objectives:</b>  <i>Objectives exceeded</i>  <i>Significant progress</i>
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**IDEA-SME PROGRAM** -In 1998-1999, the Agency provided **information-advice to enterprises in 321 instances**. These were cases where services were rendered officially, providing for example a market study or a list of potential buyers for a client enterprise. Other results from this program are provided in the pages that follow.

**CONFERENCES/INFO-FAIRS** - For two years now, the Agency has been organizing meetings that bring together exhibitors from various federal departments and agencies to provide entrepreneurs and those wishing to become entrepreneurs with information on federal government programs and services. The information deals with the startup, growth or funding of enterprises, the year 2000 bug and a number of other subjects of interest to entrepreneurs.

The eight Conferences/Info-Fairs held in eight different cities in 1998-1999 enabled **just over 5,000 entrepreneurs** to learn more about federal government programs and services. An evaluation carried out in 1998-1999 indicated that **94% of those attending the Conferences/Info-Fairs expressed satisfaction with the events**, while **80% of exhibitors felt that they were an effective means of reaching entrepreneurs**.

The Agency has thus attained and even surpassed its commitment, since it organized eight Conferences/Info-Fairs while its original commitment was to organize five.

**CANADA BUSINESS SERVICE CENTRES (CBSC)** - Canada Economic Development provides financial support for the Canada Business Service Centres (CBSCs), which offer a complete business information service. Since 1994, the **Montreal Info Entrepreneurs Centre** has responded to some 700,000 requests, including **140,000 in 1998-1999**. **Ressources entreprises de Québec** responded to over **24,000 requests** between December 1997 and March 1999.

In keeping with the regionalization plan announced in 1997-1998, the Agency has provided financial support for **30 Quebec Chambers of Commerce that began to supply information services** for enterprises in 1998-1999. Although still in its start-up phase, this activity has provided answers to information requests from more than **350 enterprises**.

The Agency is thus at the midway point in terms of its objective of establishing some 60 CBSC points of services.

**NEXPRO PROGRAM** - This program, which is financed by the Agency, is offered by the Business Development Bank of Canada (BDC). It provides enterprises with information to help them benefit from market globalization and a better understanding of the export market. In 1998-1999, some **368 enterprises benefited from advice and relevant information in preparing to conquer foreign markets**.

ii. *Marketing of innovation and technological development*

To help strengthen the competitive position of SMEs, the Agency provides financial support for a variety of initiatives leading to the marketing of innovation and technological development. Results of this support are presented below:

<b>1998-1999 commitments based on the RPP:</b>	<b>Attainment of objectives:</b>
<ul style="list-style-type: none"><li>• Marketing of innovation: about 250 projects to be completed by 2000-2001</li></ul>	<i>Objectives exceeded</i>
<ul style="list-style-type: none"><li>• Partnerships with 5 financial institutions: support for over 100 new economy firms</li></ul>	<i>Objectives exceeded</i>
<ul style="list-style-type: none"><li>• Services of a qualified engineers made available to about 100 manufacturing firms annually</li></ul>	<i>Significant progress</i>

**IDEA-SME PROGRAM** - With assistance received from the Agency under its IDEA-SME Program, **120 enterprises carried out innovation and technology development activities in 1998-1999**, resulting in:

- the implementation of new production technologies in 49 SMEs;
- the creation of new products in 86 SMEs; and
- an increase in R&D spending in 82 SMEs.

In addition to obtaining direct results, the Agency also funded some partners, enabling them to provide **innovation services** for SMEs. As a result, in 1998-1999, some **300 enterprises benefited from such services**. A list of the partners is included in Appendix II.

Under its commitments, the Agency had planned to complete some 250 innovation marketing projects between 1997-1998 and 2000-2001. **With the help of its partners, the Agency has significantly surpassed its commitment one year ahead of its deadline.**

**AGREEMENTS WITH FINANCIAL INSTITUTIONS** - In order to improve access to funding for SMEs focussed on knowledge and innovation, the Agency reached agreements with five financial institutions (Business Development Bank of Canada, Royal Bank, Bank of Montreal, National Bank and the Mouvement Desjardins). The Agency plans in this way to provide SMEs with loans to carry out research, development and marketing projects.

As at March 31, 1999, **the financial institutions had approved loans totaling \$31.1 million for 105 projects** in the areas of innovation, research and technological development. **These amounts generated investments in the order of \$85 million,** almost three times the amount of the loans. The Agency provided the financial institutions with slightly less than \$5 million to cover actual and potential losses.

According to its forecast commitments, the Agency planned to support some 100 new economy enterprises. This objective was exceeded, with 105 projects having been carried out since the signing of the agreements.

**ORDRE DES INGENIEURS DU QUEBEC** - The Operation SME project was established by the Agency with the co-operation of the *Ordre des ingénieurs du Québec* to increase the technology skills of SMEs through the hiring of qualified engineers. Representation activities among 545 manufacturing SMEs in 1998-1999 led to the hiring of 85 qualified engineers. The Agency almost attained its objective in this regard, having forecast that it would place some 100 engineers annually.

*iii. Market development*

Agency assistance also aims to encourage enterprises to export more while reducing the risks inherent to entering foreign markets.

<b>1998-1999 commitments, based on the RPP:</b>	<b>Attainment of objectives:</b>
<ul style="list-style-type: none"><li>• 560 market development projects annually</li></ul>	<i>Objectives exceeded</i>
<ul style="list-style-type: none"><li>• 200 enterprises annually made more aware of export</li></ul>	<i>Objectives exceeded</i>

*EXPORT MARKETS*

In 1998-1999, the Agency and its partners provided financial assistance for **some 700 projects for developing export markets. Two hundred and forty-one of these projects** received direct support from the Agency through the IDEA-SME program and the Program for Export Market Development (PEMD).

Indeed, the PEMD's objective is to increase exports of Canadian goods and services by covering part of the cost of related activities. The PEMD is provided by the Agency, but the Department of Foreign Affairs and International Trade (DFAIT) is responsible for program budgets and expenditures.

In addition to the direct support provided by the Agency, some partners specializing in export marketing who received financial assistance from the Agency under the IDEA-SME Program also helped **455 other enterprises to develop export markets**. A list of these partners is included in Appendix II.

In terms of its initial commitment which was to support 560 market development projects annually, the Agency exceeded its objective in 1998-1999.

**WORLD TRADE CENTER:** The Agency provides financial support for the Montreal World Trade Centre (WTC) through its IDEA-SME program. The Montreal WTC is a non-profit organization founded in 1984. It is the international service of the Board of Trade of Metropolitan Montreal and works in partnership with the Montreal Urban Community's Economic Expansion Office and the Economic Development Service of the City of Montreal. As a regional centre, the Montreal WTC serves individuals, enterprises, associations, organizations and institutions involved in international trade. Its objectives are, on the one hand, to support and advise enterprises in their dealings on international markets and to create, foster and promote business opportunities. On the other hand, it also welcomes foreign business people and trade delegations, assesses their needs and refers them to enterprises and government organizations.

In 1998-1999, **2,149 enterprises participated in a variety of export awareness and preparation activities** organized by the Montreal World Trade Centre. The activities dealt with research on the potential of trade missions aimed at government contracts in the United States, customs missions, missions to international financial institutions, export contacts and a variety of seminars on export-related subjects.

In terms of its initial commitment which was **to make 200 enterprises more aware of export markets**, the Agency exceeded its objective in 1998-1999 with the help of the Montreal *WTC*.

#### *GOVERNMENT CONTRACTING*

Some Agency partners are specifically mandated to help Quebec SMEs enter the Government of Canada tender process for the acquisition of goods and services. As a result, in 1998-1999, these groups provided **139 Quebec enterprises with a government contract watch and referral service**. The Agency provides financial support to these partners through the IDEA-SME program. A list of these partners is found in Appendix II.

*iv. Business start-ups*

The Agency's activities in this regard include awareness, support for startup and funding of entrepreneurship centres.

<b>1998-1999 commitments, based on the RPP:</b>	<b>Attainment of objectives:</b>
<ul style="list-style-type: none"> <li>• Investment fund for young entrepreneurs: creation of about 1,450 jobs in two years</li> </ul>	<p><i>Progress made</i></p>
<ul style="list-style-type: none"> <li>• Technology incubators: helping to start-up about 30 to 50 enterprises for three years</li> </ul>	<p><i>Objectives exceeded</i></p>
<ul style="list-style-type: none"> <li>• Gatiq /Québec/Chaudière-Appalaches Technoregion: start-up, by the year 2000, of about 30 technology firms</li> </ul>	<p><i>Progress made</i></p>
<ul style="list-style-type: none"> <li>• Two new university and colleges entrepreneurship centres</li> </ul>	<p><i>More complete results will be measured in 1999-2000 and will be shown in the next Performance Report</i></p>
<ul style="list-style-type: none"> <li>• Ten new student entrepreneur clubs</li> </ul>	
<ul style="list-style-type: none"> <li>• Partnership with a financial institution to facilitate access to funding by young entrepreneurs</li> </ul>	<p><i>Objective attained in 1999-2000 and will be reported in the next Performance Report</i></p>

**IDEA-SME PROGRAM** - Through the direct assistance provided by the Agency, **85 SMEs formed new business partnerships in 1998-1999, 32 expanded and 19 began activities.**

Moreover, **262 other enterprises accessed a variety of services through Agency partnerships in the area of entrepreneurship.** A list of these partners is included in Appendix II.

**Loans have also been offered to 25 enterprises under local investment funds** to support business start-ups. A list of these partners is included in Appendix II.

**TECHNOLOGY INCUBATORS** - Together with the Quebec Department of Industry and Commerce (MICQ), the Agency provides funding for technology incubators working to support the startup of enterprises in high-tech industries in the areas of information, biotechnology and industrial materials. SMEs created in this way must be permanent and well equipped to create sustainable jobs. More than **185 enterprises were incubated** through these initiatives. An evaluation carried out in 1998-1999 indicated that their **survival rate once they leave the incubator is 86%**.

**UNIVERSITY ENTREPRENEURSHIP CENTRES** - The Agency financially supports university entrepreneurship centres (UECs) in Quebec. The role of the UECs is to focus on the pre-incubation of enterprises and the development of entrepreneurship awareness in university communities. Their main strengths are their influence in technology communities, their ability to develop networks and their high visibility and reputation. The 1998-1999 evaluation indicated that the three university entrepreneurship centres **incubated 86 projects**.

The Agency has thus exceeded the commitment made in the 1998-1999 RPP with respect to the startup of enterprises in technology incubators and the university entrepreneurship centres.

**QUÉBEC/CHAUDIÈRE-APPALACHES GATIQ TECHNORÉGION** - The purpose of this agreement is to build a technoregion by promoting and stimulating the technological role of the Quebec City and Chaudière-Appalachian regions. GATIQ provides few direct services for SMEs, but is involved in identifying strategic projects, the spinoff from which would benefit SMEs in the medium term. The main accomplishments under this agreement in 1998-1999 are:

- completion of a large scale study on innovative enterprises in the Quebec City/Chaudière-Appalachian region — sampling of 600 enterprises;
- establishment of action committees to position GATIQ as the regional voice for technology;
- and a technology transfer committee.

**COMMUNITY FUTURES DEVELOPMENT CORPORATIONS (CFDC) — YOUTH STRATEGY COMPONENT** - Through its Youth Strategy, the Agency encourages young people to purchase, establish, expand or modernize enterprises. This assistance for the development of entrepreneurship among young people is provided through the Agency's partners in the regions—the 54 Quebec Community Futures Development Corporations (CFDCs). Since November 1997, the Youth Strategy has provided for the **startup of 671 enterprises**.

A survey of the young applicants highlighted the fact that **89% of them were completely satisfied with the services** of the CFDCs.

v. *Job creation and maintenance*

Through its activities, the Agency also works to create and maintain jobs in every region of Quebec.

In 1998-1999, various projects and initiatives receiving financial support from the Agency or its partners led to the creation of 7,921 jobs and safeguarded 52,926 others. The table below provides further detail:

<b>Program or activity</b>	<b>Jobs created</b>	<b>Jobs safeguarded</b>
IDEA-SME (including SPCQ, financial institutions, technology incubators and university entrepreneurship centres)	3,507	1,003
Program for Export Market Development (PEMD)	144	278
Temporary Economic Reconstruction Program (TERP)	2,694	--
Economic Recovery Assistance Program (ERAP)	--	50,100
Community Futures Development Corporations (CFDC)	1,025	772
Groupement des chefs d'entreprise du Québec	401	694
Regional export promotion organizations (ORPEX)	150	79
<b>Total</b>	<b>7,921</b>	<b>52,926</b>

As mentioned on page 18, these results are not exhaustive and are taken from performance surveys carried out in 1998-1999 on a limited number of activities (evaluations, surveys, efficiency ratings and other reviews). Lastly, the Infrastructure Works Program has allowed for the creation and maintenance of some 38,000 jobs since it came into effect in 1994.



vi. *Level of client satisfaction*

**DIRECT AGENCY CLIENTELE** - In order to ensure high quality service, the Agency measures the level of client satisfaction. The table below presents the main findings of the survey carried out in 1998-1999 among 771 client enterprises with respect to services (advisory or financial assistance services) received from the Agency during 1998-1999.

**Table D-3: Client enterprises expressing *complete satisfaction* with services received from the Agency <sup>8</sup>**

Key indicators	Level of satisfaction %		
	1996-1997	1997-1998	1998-1999
Accessibility of services	93.1	95.1	96.4
Ability to respond to client needs	90.9	92.8	95.7
Response time	89.9	91.8	91.5
Courtesy of staff	97.3	99.7	98.9
Professionalism of advisor	96.6	94.0	97.0
Overall quality of services	96.0	97.2	97.8

The survey indicates that **client satisfaction remains high and that it increased in 1998-1999 for every aspect of services provided for enterprises by the Agency.**

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<sup>8</sup> IDEA-SME program (including information-advise, Technoregion and SPCQ) as well as PEMD

**CLIENTELE OF AGENCY PARTNERS** - The Agency also measures the quality of services delivered by its partners. The table below presents the main findings obtained in terms of satisfaction among 298 client enterprises having dealt with its partners participating in continuous measurement in 1998-1999. During this survey, enterprises dealing with Agency partners were asked the same questions asked to direct Agency clients.

**Table D-4: Client enterprises expressing *complete satisfaction* with services received from Agency partners<sup>1</sup>**

Key indicators	Level of satisfaction %	
	1997-1998	1998-1999
Accessibility of services	94.3	95.6
Ability to respond to client needs	92.6	92.2
Response time	94.0	93.7
Courtesy of staff	95.9	98.1
Professionalism of advisor	94.3	97.6
Overall quality of services	94.3	97.1

Enterprises expressed a high level of satisfaction with regard to the services provided by Agency partners. This type of service delivery meets the expectations of enterprises.

*Results - Continued*

**3.2.2 Helping increase the economic potential of the regions of Quebec through regional strategic initiatives**

<b>1998-1999 commitments, based on the RPP:</b>	<b>Attainment of objectives:</b>
<p>Strategic Regional Initiatives</p> <ul style="list-style-type: none"> <li>• Other regions of Quebec</li> <li>• Rural Enterprises</li> </ul>	<p><i>More complete results will be presented in the Agency's next Performance Report</i></p>
<p>Federal Action Strategy for Greater Montreal</p> <ul style="list-style-type: none"> <li>• Strategic investments totaled some \$180 to 270 million annually</li> </ul>	<p><i>Objectives exceeded</i></p>
<p>Infrastructures</p> <ul style="list-style-type: none"> <li>• \$2.2 billion invested under the Canada-Quebec Infrastructure Agreement, leading to the creation of 31,300 jobs</li> </ul>	<p><i>Objectives exceeded</i></p>

**REGIONAL STRATEGIC INITIATIVES PROGRAM (RSI)** - This program provides support for major initiatives likely to have a strategic effect on the regional economy. It is intended to foster the creation of a socio-economic environment conducive to strengthening competitiveness and the development and economic growth of Quebec regions in the context of economic globalization. The activities supported by the program build on federal value-added. Created jointly with other federal departments and organizations to complement their own activities and those of community organizations and the private sector. Furthermore, RSIs have proven to be an innovative program tool to promote regional economic development by allowing synergies between stakeholders in the communities.

The RSI Program includes four areas of activity—development of the technological capability of the regions, their tourism development, support for international attraction and influence and adjustment capability. Approved in February 1997, the program is funded through a reallocation of authorizations for the IDEA-SME Program. In 1998-1999, four regional strategies representing 64 projects were approved. A list of these strategies is included in Appendix III.

<b>Regional Strategic Initiatives (RSI) Program</b>	(in \$M)
Forecast expenditures	61.1
<i>Total authorizations</i>	<i>21.9</i>
<b>Actual expenditures in 1998-1999</b>	<b>21.9</b>

An explanation of the discrepancies between forecast expenditures and total authorizations is found in Appendix I.

This program was not evaluated in 1998-1999 given its recent implementation. The examples that follow provide a concrete illustration of the contribution made by Regional Strategic Initiatives to the Agency's mission. The Agency should be in a position to provide more complete results by next year.

***DEVELOPMENT OF THE TECHNOLOGICAL CAPABILITY OF THE REGIONS*** involves increasing the technological capability of the regions to encourage the use of the most appropriate technology and facilitate its adaptation by SMEs. For example, this activity allowed the establishment of the *Centre québécois d'innovation en biotechnologie* (CQIB). This Centre provides researchers-entrepreneurs with laboratories, offices and warehouses. Enterprises also have access to a large scientific instrument and equipment fleet. Lastly it provides a business structure to support the development of enterprises and the transfer of management skills.

***TOURISM DEVELOPMENT*** is intended to enhance the potential to attract international tourists by promoting the development of tourism activities capable of attracting and retaining foreign tourists. The development of innovative tourism products will allow certain regions to prolong their tourism season. The Agency provided a contribution for the Convention and Tourism Bureau of Greater Montreal to increase off-season tourism and diversify international markets and clientele.

Support for development of the ***ATTRACTION CAPABILITY AND INTERNATIONAL INFLUENCE OF THE REGIONS OF QUEBEC*** is intended to create a climate favourable to projects involving international partners. Under this area of activity, the Agency endeavours to increase the ability to attract international activities and support participation in activities to promote foreign trade. The Agency also has established a major partnership with Montreal International (MI) whose mission is to consolidate and develop the international character of the Greater Montreal region and provide leadership in co-ordinating the promotion and development of the region's international role. MI is also active in prospecting, promoting and welcoming the head offices of international organizations to the city.

Lastly, ***SUPPORT FOR THE ADJUSTMENT CAPABILITY OF THE REGIONS*** is intended to support Quebec regions and communities in their efforts to adjust to the new context of globalization. The program targets the emergence of the new economy in rural areas, enhancing local resources by fostering the emergence of networks which contribute to the development of regional infrastructure. The following example illustrates the type of activity included in this component:

**RURAL ENTERPRISE** - The Rural Enterprise Program, developed in early 1997 with the cooperation of the Bas-Saint-Laurent/Gaspésie/Iles-de-la-Madeleine CFDC focussed mainly on the following two niches: the development of rural niche activities and the development and integration into rural communities of activities generally associated with urban areas and based on new technologies.

**THE FEDERAL ACTION STRATEGY FOR GREATER MONTREAL** - This activity is carried out under 19 programs administered by 14 federal departments and agencies. Federal assistance is in the form of either direct assistance for enterprises or indirect assistance (for example, work on physical infrastructure or assistance to intermediary organizations) intended to improve the business climate.

As a result, federal contributions totalled nearly \$1.2 billion, for a total assisted project value of \$4.9 billion. Lastly, more than 2,000 projects received government assistance.

Among the main activities, it is important to mention that 1,500 projects were developed among SMEs and that the federal government played a key role in a number of tourism and cultural projects, including the Old Port of Montreal and the Lachine Canal.

**CANADA-QUEBEC INFRASTRUCTURE WORKS PROGRAM** - Begun in 1994-1995 for an initial period of three years, the Infrastructure Works Program was extended by two years and improved concomitantly. In 1998-1999, the Agency continued to manage the Canada-Quebec Agreement for the federal government, in co-operation with the Quebec Department of Municipal Affairs (MAMQ), the project leader.

<b>Infrastructure Works Program</b>	(in \$M)
Forecast expenditures	70.5
<i>Total authorizations</i>	67.8
<b>Actual expenditures in 1998-1999</b>	<b>44.7</b>

An explanation of the discrepancies between total authorizations and actual expenditures is included in Appendix I.

The Infrastructure Works Program enabled **199 projects to be undertaken during the 1998-1999 period**. Moreover, it contributed to the creation and safeguarding of some 38,000 jobs during Phases I and II. The Agency's objective — the creation of 31,300 jobs — was thus surpassed.

**Results - (Continued)**

**3.2.3 Economic development of local communities in Quebec**

The Agency manages the Community Futures Program (CFP), a national measure to support communities in their efforts to take charge of their own economic development. The Agency funds the operating expenditures of the 54 Community Futures Development Corporations (CFDCs), which provide technical advice for small businesses and participate in the creation of local economic development initiatives. The Agency also contributes to the capital funding of CFDCs through which they can provide loans to small businesses. The CFP also supports 13 Community Economic Development Corporations (CEDCs) in urban centres to encourage the development of economically disadvantaged areas.

<p><b>1998-1999 commitments, based on the RPP:</b></p> <ul style="list-style-type: none"> <li>• 54 CFDCs, contributing to the safeguarding and creation of about 6,500 jobs annually</li> </ul>	<p><b>Attainment of objectives:</b></p> <p><i>The measurement framework established in late 1998-1999 will enable the CFDCs to provide more complete results in 1999-2000</i></p>
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<b>Community Futures Program (CFP)</b>	(in \$M)
Forecast expenditures	12.7
<i>Total authorizations</i>	27.1
<b>Actual expenditures in 1998-1999</b>	<b>27.1</b>

An explanation of the discrepancies between forecast expenditures and total authorizations is included in Appendix I.



### *Community Futures Development Corporations*

A data collection project carried out in 1998-1999 resulted in the compilation of 888 cases handled in 15 CFDCs. Of these cases, 220 (25%) were related to *Local Development*, that is, projects that contributed to the economic growth of communities. These activities target a large number of situations. As a result, 145 of compiled cases involved economic development; 57 projects were linked to education and health; and 18 cases dealt with social economy, the environment and culture. Lastly, 668 (75%) were *enterprise* cases, dealing with activities undertaken with client enterprises for financial or technical assistance (*Investment Fund* or *Technical Assistance*).

A survey conducted during June 1999 provided the following findings:

With regard to *local development*, the projects targeted mainly young people and the unemployed. Other projects of *local development* aspect affected economic development stakeholders and community workers. Lastly, 90% of clients contacted during the survey stated that they were satisfied with the services rendered under the local development banner.

The 668 *enterprise* cases involved conventional loans in 91% of cases, i.e. 608 cases. The loans provided were used mainly to start up enterprises (167 cases), to purchase equipment (154 cases) and to develop enterprises (347 cases).

The measurable effects indicated that *Enterprise* cases created 374 jobs and safeguarded 219 others. In addition, the assistance received enabled the enterprises to increase their incomes by an average of \$196,000. Lastly, 90% of enterprises stated that they were satisfied with the services received.

### *Community Economic Development Corporations (CEDC)*

The CEDCs responded to more than 5,500 requests for information in 1998-1999. These agencies also contributed to the startup of 186 enterprises and provided advice to some 800 entrepreneurs. These activities led to the creation and safeguarding of more than 400 jobs.

**Results - (Continued)**

**3.2.4 Special adjustment measures for struggling economic regions of Quebec**

In recent years, the Agency has been given the mandate of supporting Quebec regions struggling with temporary economic adjustment problems.

<b>1998-1999 commitments, based on the RPP:</b>	<b>Attainment of objectives:</b>
<p>Special Fund for Coastal Quebec (SFCQ)</p> <ul style="list-style-type: none"> <li>• Economic diversification of coastal areas: creation or safeguarding of 200 jobs</li> <li>• Community empowerment</li> </ul>	<p><i>Objectives exceeded</i></p> <p><i>Progress made</i></p>
<p>Temporary Economic Reconstruction Program (TERP)</p> <ul style="list-style-type: none"> <li>• Contribution to safeguarding or creating over 1,500 jobs by supporting the revitalization of SMEs</li> </ul>	<p><i>Objectives exceeded</i></p>
<p>Economic Recovery Assistance Program (ERAP)</p> <ul style="list-style-type: none"> <li>• Resumption of activities by SMEs affected by disasters</li> </ul>	<p><i>Objectives attained</i></p>

**SPECIAL FUND FOR COASTAL QUEBEC (SFCQ)** - In 1998-1999, the Agency continued to administer the Special Fund for Coastal Quebec in order to help regions affected by the groundfish crisis. This Fund has two primary objectives — to stimulate the establishment and expansion of local SMEs and to foster the emergence of a climate favourable to local development. The SFCQ is aimed at the Côte-Nord, Gaspésie and Îles-de-la-Madeleine administrative regions, as well as neighbouring fishing communities affected by restructuring of the fishing industry.

<b>Special Fund for Coastal Quebec (SFCQ)</b>	(in \$M)
Forecast expenditures	6.2
<i>Total authorizations</i>	6.2
<b>Actual expenditures in 1998-1999</b>	<b>3.5</b>

An explanation of the discrepancies between total authorizations and actual expenditures is included in Appendix I.

In 1998-1999, 38 enterprise cases and 10 non profit organization cases were handled. The results of this initiative are in keeping with the Agency's performance commitments.

The SFCQ was intended to create and safeguard 200 jobs during the program. **This objective was more than doubled in view of the fact that since 1996-1997, the SFCQ has contributed to the creation and safeguarding of more than 500 jobs.**

In terms of local empowerment, a mid-program evaluation led to the following conclusions: the SFCQ effectively contributes to the adaptation and the long term economic development of fishing communities most affected by the crisis. It has been noted that the program provides, in a majority of cases, the reinforcement, the diversification and the stabilisation of the economic fabric of communities.

However, the mid-program evaluation also revealed that the development of entrepreneurial skills within the communities is an objective that is much more difficult to reach. Notwithstanding the communities needs in terms of consensus-building and animation activities, findings reveal a low level of client participation. Economic promotion or entrepreneurship assistance activities have not yet generated measurable economic results.

**TEMPORARY ECONOMIC RECONSTRUCTION PROGRAM (TERP)** - This program was implemented to support the revitalization of SMEs in regions affected by the torrential rains of July 1996 — the Saguenay-Lac St Jean, North Shore, Charlevoix and Haute Mauricie.

<b>Temporary Economic Reconstruction Program (TERP)</b>	<b>(in \$M)</b>
Forecast expenditures	10.2
<i>Total authorizations</i>	<i>10.2</i>
<b>Actual expenditures in 1998-1999</b>	<b>4.9</b>

An explanation of the discrepancies between total authorizations and actual expenditures is included in Appendix I.

***Report on results:***

The federal contribution administered by the Agency allowed **441 projects** to be accepted, at a total cost of \$46 million. **The number of jobs created or safeguarded is estimated at 2,694** since the program began.

**Thus far, the Agency exceeded its objective of safeguarding or creating 1,500 jobs.**

**ECONOMIC RECOVERY ASSISTANCE PROGRAM (ERAP)** - This program was created to support the revitalization of damaged SMEs following the ice storm that struck Quebec in early January 1998.

<b>Economic Recovery Assistance Program (ERAP)</b>	<b>(in \$M)</b>
Forecast expenditures	63.2
<i>Total authorizations</i>	62.0
<b>Actual expenditures in 1998-1999</b>	<b>6.4</b>

An explanation of the discrepancies between total authorizations and actual expenditures is included in Appendix I.

***Report on results:***

ERAP helped to pay part (50%) of the fixed expenditures of 3,500 enterprises having had to cease operations because of the ice storm. It also helped to **maintain 50,100 jobs in these SMEs**. This resulted in a new form of program management partnership, since the Agency worked jointly with the three orders of accountants in Quebec, receiving the co-operation of approximately 900 professional accountants to certify claims rapidly.

#### **D. Results of the March 1999 follow-up to the December 1996 survey with Agency enterprise clients**

In December 1996, the Agency conducted a survey to measure **the short-term effects** of the IDEA-SME and PEMD programs. Some 245 enterprises having benefited from these programs in 1995-1996 were interviewed. More than two years later, i.e. in March 1999, a second survey was carried out with the same enterprises to measure **the long-term effects** of the assistance provided in 1995-1996.

A summary of the main findings of the March 1999 survey, compared to those of the December 1996 survey in terms of economic performance (sales figures, job creation and maintenance, etc) is presented below:

In 1999, 60% of the enterprises were in the same income range as in 1996, **while 30% had higher sales figures.**

The 1999 survey revealed that the vast majority of new jobs reported in 1996 still existed and that a good number of the part-time positions created in 1996 had become full-time positions in 1999.

The survey showed that the average number of employees (total or full-time) increased by 8% between 1996 and 1999, particularly among the smallest enterprise clientele.

There were only nine bankruptcies among the 245 enterprises that participated in the 1996 study, a rate of less than 4%.

In conclusion, it would appear that, two years after the 1996 survey, **the vast majority of enterprises having received assistance from the Agency are doing well and continuing to develop.**

## **E. Lessons learned from recent evaluations and audits conducted by Canada Economic Development**

During fiscal 1998-1999, Canada Economic Development carried out a number of assessments of its activities. The analysis of these results revealed a number of interesting findings. These “lessons” are grouped into three categories.

**ECONOMIC RESULTS** - The analysis demonstrated that the assistance provided for SMEs played a determining role in their projects. Moreover, the figures on job creation and maintenance clearly reflect the success of these projects. It is also important to note that a clear increase in the sales figures of enterprises receiving Agency assistance was also identified.

Additional effort will be required to identify specific and quantifiable objectives in order to maximize the performance of partnership agreements between the Agency and the agencies working with SMEs.

**SERVICE DELIVERY** - The analysis of reviews carried out in 1998-1999 and comments from our clients indicate a very high level of client satisfaction with both financial and non-financial services received. However, the analysis revealed a weakness in terms of the quality and relevance of services provided by some of the Agency’s partners. The approach used for some services should therefore be modified to better meet the expectations of target clientele.

**PARTNERSHIP MANAGEMENT** - Experience indicates that partnership management is an important factor in the success of any program. It would therefore appear that the participation of community resources in such management is a key factor. Both delays in analysing cases and the rigidity of program criteria are a concern for the Agency’s clientele, who want greater flexibility and an approach more closely tailored to the realities of enterprises.

**CONCLUSION** - This analysis of reviews conducted in 1998-1999 provided some lessons that should enable the Agency to make the necessary improvements in the management framework of its activities. Some of these lessons, such as setting precise objectives and expected results, both in the provision of direct services for clientele and services delivered through Agency partners, have already been corrected. Other actions will be undertaken to ensure on-going improvement of our activities.





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## **Part IV**

### **Consolidated Reporting**

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#### **A. Year 2000 Readiness**

Canada Economic Development is not identified as belonging to that group of departments and organizations whose computer systems are essential to federal administration. Despite this fact, the Agency has initiated a variety of activities since June 1998, as part of an overall strategy to counter the negative consequences of transition to the year 2000.

A risk management plan and an emergency measures plan have been prepared and are being used to guide Agency activities. Management functions critical to the Agency's mission have been identified, an exhaustive inventory of the activities needed to carry them out has been drawn up and activities required for the resumption of services have been developed.

The Agency has adopted a structured process to ensure that its systems are year-2000 compliant, and has devoted considerable resources to this end. Test plans have been created in accordance with federal government requirements and tests of the Agency's computer infrastructure components (for example, servers and work stations) clearly demonstrate that these components are 100% compliant.

Results so far in implementation of the test plans indicate that the Agency will be able to pursue its operations without any major inconvenience to its clientele. An independent review of the Agency's state of preparedness for the year 2000, carried out in May 1999, confirms this view.

## B. Sustainable Development

The Agency's first Sustainable Development Strategy (SDS) comprises four areas of activity. The first objective of this strategy is to make SMEs aware of the limitations and commercial potential of sustainable development. The second objective is to support Quebec SMEs in their efforts to create easily exportable local expertise in the environment industry. Lastly, the Agency wants to set an example and has drawn up two additional objectives—to change corporate culture by integrating the concept of sustainable development and to promote the greening of Agency offices.

Since the creation of its SDS in December 1997, the Agency has joined forces with its partners in the federal government, the Quebec government and the private sector to carry out many projects related to sustainable development. In 1998-1999, the Agency and its partners supported some 50 projects, generating investment in the order of \$60 M. The Agency's financial contribution to these projects was approximately \$7 M.

- The Agency and its partners help to establish or consolidate organizations to promote and support sustainable development, both in Montreal and in the regions. These include: *Corporation de soutien aux initiatives de recherche sur le saumon de l'Atlantique*, the World Water Council, Enviro-Access, the Environment Network, the Sept Îles Environmental Research and Education Laboratory and the Environmental Assistance Bureau for the Graphic arts and Printing Industries.
- The Agency contributes to the planning of conferences, seminars and studies on sustainable development and the environmental industry, including **AMERICANA**, which, in March 1999, brought together 373 industry exhibitors and 7,508 participants, including 1,418 delegates to 270 conferences.
- In partnership with Environment Canada and the Trois Rivières CEGEP, the Agency helped to establish an **Enviroclub** pilot project to help manufacturing SMEs implement cost-effective pollution prevention and environmental management activities. A total of 14 SMEs participated in workshops and nine SMEs undertook in-plant technical projects, resulting in savings of tens of thousands of dollars annually. Based on the excellent results of the pilot project, the Agency and EC hope to establish an *Enviroclub Program* that would lead to the implementation of 14 Enviroclubs over a three-year period.

- The Agency contributes to two **technology platforms** in the environmental field: the *Montreal Centre of Excellence for Site Rehabilitation (CEMRS)* and the *Technology Platform on Alternative Energy Vehicles*. Three other platforms are currently being developed: waste materials at the City of Montreal's domestic landfill site, groundwater remediation at the industrial landfill site in Mercier, and the Environmental Remote Sensing Centre.
- The Agency has reached a **partnership agreement with Environment Canada** for a three-year period, to ensure the co-operation of environmental technology specialists and improve the quality of services provided for SMEs. This agreement has resulted in 13 innovative environmental projects.
- The Agency continues its efforts to automatize information dissemination to employees through its Intranet and to external clients with the virtual office which provides information on programs and services. These efforts should result in a significant reduction in the use of paper.



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**Part V**  
**Financial Performance**

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Canada Economic Development for Quebec Regions is required to produce the following reports in 1998-1999:

- Financial Table 1

**Summary of Voted Appropriations**

- Financial Table 2

**Comparison of Total Planned Spending to Actual Spending**

- Financial Table 3

**Historical Comparison of Total Planned Spending to Actual Spending**

- Financial Table 4

**Non-Respendable Revenues**

- Financial Table 5

**Statutory Payments**

- Financial Table 6

**Transfer Payments**

- Financial Table 7

**Contingent Liabilities**

## Financial Table 1

### Summary of Voted Appropriations Financial requirements by authority

(millions of dollars)

Vote	1998-1999			
	Planned Spending	Total Authorities	Actual Spending	
Canada Economic Development for Quebec Regions				
60	Operating expenditures	33.2	35.4	31.6
65	Grants and contributions	279.5	277.4	190.4
(L)	Obligations under the <i>Small Business Loans Act</i>	92.6	103.1	103.1
(L)	Contributions to employee benefit plans	3.6	3.5	3.5
(L)	Refund of amounts credited to revenues in previous years	–	0.04	0.04
(L)	Spending of proceeds from disposal of Crown assets	--	0.02	0.006
<b>Agency total</b>		<b>408.9</b>	<b>419.4</b>	<b>328.6</b>

## Financial Table 2

### Comparison of Total Planned Spending to Actual Spending

#### Agency planned versus actual spending

(millions of dollars)

Promotion of the economic development of the regions of Quebec	1998-1999		
	Planned spending	Total authorities	Actual spending
<b>FTEs <sup>(1)</sup></b>	<b>312.0</b>	<b>284.0</b>	<b>283.0</b>
<b>Operations <sup>(2)</sup></b>	<b>36.8</b>	<b>38.9</b>	<b>35.1</b>
<b>Grants and contributions</b>	<b>279.5</b>	<b>277.4</b>	<b>190.4</b>
<b>Total gross voted expenditures</b>	<b>316.3</b>	<b>316.3</b>	<b>225.5</b>
<b>Statutory grants and contributions</b>	<b>92.6</b>	<b>103.1</b>	<b>103.1</b>
<b>Total gross expenditures</b>	<b>408.9</b>	<b>419.4</b>	<b>328.6</b>
<b>Less:</b>			
<b>Respendable revenues</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total net expenditures</b>	<b>408.9</b>	<b>419.9</b>	<b>328.6</b>
<b>Other revenues and expenditures:</b>			
<b>Non-respendable revenues</b>	<b>32.0</b>	<b>32.0</b>	<b>42.3</b>
<b>Cost of services provided by other departments</b>	<b>3.1</b>	<b>3.1</b>	<b>3.3</b>
<b>Net cost of program</b>	<b>380.0</b>	<b>390.5</b>	<b>289.6</b>

NB: The figures for 1998-1999 Total Authorities include those in the Main Estimates, the Supplementary Estimates and other authorities. The figures for actual expenditures correspond to actual expenditures/revenues for 1998-1999.

<sup>1</sup> The number of full-time equivalents (FTEs) is expressed in units.

<sup>2</sup> Including contributions to employee benefit plans and ministers' allowances.

### Financial Table 3

#### Historical Comparison of Total Planned Spending to Actual Spending

(millions of dollars)

Business Line	Actual Spending 1996-1997	Actual Spending 1997-1998	1998-1999		
			Planned Spending <sup>1</sup>	Total Authorities <sup>2</sup>	Actual <sup>3</sup> Spending
Promotion of the Economic Development of the Regions of Quebec	385.3	360.9	408.9	419.4	328.6
<b>Total</b>	<b>385.3</b>	<b>360.9</b>	<b>408.9</b>	<b>419.4</b>	<b>328.6</b>

1. The planned spending and planned revenue figures are consistent with those in the "Planned Spending, 1998-1999" column of Part III of the 1998-1999 Estimates.
2. *The total authorities figures include those in the Main, Supplementary and other estimates, and correspond to those indicated in the Public Accounts for 1998-1999.*
3. **The actual expenditures and actual revenue figures are consistent with those in the Public Accounts for 1998-1999.**

The main discrepancies are related to the special programs administered by the Agency — contributions to the Province of Quebec under the Canada Infrastructure Works Agreement, contributions to the Fund for the Economic Development and Adjustment of Quebec Fishing Communities, established in response to the Atlantic groundfish crisis and contributions to TERP and ERAP, which were created following the floods of the summer of 1996 and the ice storm of January 1998. Part of the unspent amounts was carried forward to the 1999-2000 fiscal year for these programs.

An amount of \$3.8 million from the operating budget was not spent. This resulted in large part from a surplus of \$2.4 million for the ERAP Program.

More detailed information on these discrepancies is included in Appendix I.



## Financial Table 4

### Non-respendable Revenues

(millions of dollars)

Business Line	Actual Revenues 1996-1997	Actual Revenues 1997-1998	1998-1999		
			Planned Revenues	Total Authorities	Actual Revenues
Promotion of the Economic Development of the Regions of Quebec	38.5	37.6	32.0	32.0	42.3
<b>Total non-respendable revenues</b>	<b>38.5</b>	<b>37.6</b>	<b>32.0</b>	<b>32.0</b>	<b>42.3</b>

## Financial Table 5

### Statutory Payments

(millions of dollars)

Business Line	Actual Spending 1996-1997	Actual Spending 1997-1998	1998-1999		
			Planned Spending	Total Authorities	Actual Spending
Promotion of the Economic Development of the Regions of Quebec	96.4	122.5	96.2	106.6	106.6
<b>Total statutory payments</b>	<b>96.4</b>	<b>122.5</b>	<b>96.2</b>	<b>106.6</b>	<b>106.6</b>

NB: The total authorities are equivalent to the sum of the Main, Supplementary and other estimates.

## Financial Table 6

### Transfer Payments

(millions of dollars)

<i>Promotion of the Economic Development of the Regions of Quebec</i>	Actual 1996-1997	Actual 1997-1998	1998-1999		
			Planned Spending	Total Authorities	Actual
<b>GRANTS</b>					
Grants under the Innovation, Development of Entrepreneurship and Access Program (IDEA) for small and medium businesses	0.2	0.9	0.4	0.4	0.2
Grants to the <i>Conseil québécois des entreprises adaptées</i> to create a development fund to help its members improve and maintain their productivity in order to be competitive	--	--	--	5.0	5.0
<b>Total Grants</b>	<b>0.2</b>	<b>0.9</b>	<b>0.4</b>	<b>5.4</b>	<b>5.2</b>
<b>CONTRIBUTIONS</b>					
(S) Liabilities under the <i>Small Business Loans Act</i>	93.8	119.7	92.6	103.1	103.1
Contributions under the IDEA-SME Program for small and medium businesses	33.0	54.7	50.0	71.2	71.2
Contributions to the Province of Quebec under the Canada-Quebec Infrastructure Works Agreement	163.1	96.6	70.5	67.8	44.7
Contributions under the Community Futures Program	12.5	21.4	12.7	27.1	27.1
Contributions under the Regional Strategic Initiatives Program	--	9.0	61.1	21.9	21.9
Contributions under the Economic Recovery Assistance Program (ERAP)	--	0.4	63.2	62.0	6.4
Contributions under the Temporary Economic Reconstruction Program (TERP)	--	7.2	10.2	10.2	4.9
Special Fund for the Economic Development and Adjustment of Quebec Fishing Communities	0.9	2.9	6.2	6.2	3.5
Contributions under the Assistance Program for Research Establishments	13.0	6.9	--	2.3	2.3
Contributions under the Montreal Development Fund	5.3	1.5	0.7	0.7	0.7

Promotion of the Economic Development of the Regions of Quebec	Actual Spending 1996-1997	Actual Spending 1997-1998	1998-1999		
			Planned spending	Total authorities	Actual Spending
Contributions under the Industrial Recovery Program for East-End Montreal	1.5	1.6	0.3	0.7	0.7
Contributions under the Canada/Quebec Subsidiary Agreement on Tourism Development	3.1	1.3	0.8	0.5	0.5
Contributions under the Enterprise Development Program	2.9	0.4	0.7	0.3	0.3
Contributions under the Innovation Assistance Program	1.8	0.3	0.3	0.2	0.2
Contributions under the Industrial Recovery Program for Southwest Montreal	1.7	0.6	0.5	0.2	0.2
Contributions in support of major regional infrastructures	1.3	0.05	0.2	0.2	0.2
Contributions to the Regional Development Program for Quebec	3.6	0.3	0.4	0.2	0.2
Contributions under the Manufacturing Productivity Improvement Program	3.8	1.3	0.6	0.1	0.1
Contributions under the Salmon Economic Development Program	2.1	0.5	0.3	0.1	0.1
Contributions under the Support Program for Regional Development Activities	0.3	0.1	0.06	0.05	0.05
Contributions under the Assistance Program for Disadvantaged Areas	2.7	0.2	0.3	0.008	0.008
<b>Total Contributions</b>	<b>346.4</b>	<b>327.1</b>	<b>371.7</b>	<b>375.1</b>	<b>288.3</b>
<b>Items not required</b>					
(L) Insurance payments - Atlantic Enterprise Program	0.3	0.2	--	--	--
Contributions under the Support Program for Technology Development Assistance Centres	0.3	0.1	--	--	--
Contributions to the Montreal International Convention Centre	0.4	0.004	--	--	--

Promotion of the Economic Development of the Regions of Quebec	Actual Spending 1996-1997	Actual Spending 1997-1998	1998-1999		
			Planned spending	Total authorities	Actual Spending
Incentive contributions to encourage the participation of Quebec businesses in federal government contracting	0.05	0.003	--	--	--
Contributions to the development of cultural infrastructure	3.9	--	--	--	--
Contributions under the Assistance Program for Tourist Attractions and Tourist Infrastructure Projects	1.4	--	--	--	--
Grants under the Program for Regional Development (Quebec)	1.2	--	--	--	--
Federal-provincial agreement to improve access to Southwest Montreal	0.9	--	--	--	--
Contributions under the Gaspé-Magdalen Islands Program	0.3	--	--	--	--
Contribution under the Special Program for the Laprade Region	0.2	--	--	--	--
Contributions under the <i>Industrial and Regional Development Act</i> and outstanding commitments under discontinued predecessor programs	0.07	--	--	--	--
Grants under the Montreal Development Fund	0.02	--	--	--	--
Contributions under the Special Assistance Program for the Quebec Metro High-Tech Park	0.002	--	--	--	--
<b>Total items not required</b>	<b>9.0</b>	<b>0.3</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Grants, Contributions and items not required</b>	<b>355.7</b>	<b>328.3</b>	<b>372.1</b>	<b>380.5</b>	<b>293.5</b>

## Financial Table 7

### Contingent Liabilities

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<b>Indirect Liability</b>			
<b>(millions of dollars)</b>			
<b>List of contingent liabilities</b>	<b>Amount of indirect liability</b>		
	<b>As at March 31, 1997</b>	<b>As at March 31, 1998</b>	<b>As at March 31, 1999</b>
<b>Loans</b>			
<i>Atlantic Enterprise Program</i> <sup>1</sup>	2.3	1.9	1.5
<i>Small Business Loans Act</i> <sup>2</sup>	476.7	423.2	388.7
<b>Total</b>	<b>479.0</b>	<b>425.1</b>	<b>390.2</b>

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1. Represents loan guarantees under the Atlantic Enterprise Program. Under this program, the federal government guaranteed loans to establish, expand or modernize commercial business operations in the Gaspé Peninsula, Magdalen Islands and Atlantic provinces. In keeping with Order in Council PC 1991-1114 dated June 13, 1991, responsibility for loan guarantees within the Province of Quebec is assumed by Canada Economic Development.
2. Represents loan guarantees under the Small Business Loans Act. This legislation, which was passed in January 1961, is designed to increase the availability of loans to establish, expand, modernize and upgrade small business enterprises. In keeping with Order in Council PC 1991-1114 dated June 13, 1991, responsibility for loan guarantees within the Province of Quebec is assumed by Canada Economic Development.



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**Part VI**  
**Other Information**

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**A. Contact for further information**

**Raymond D'Aoust**  
**Director General**  
**Quality, Evaluation and Information Management**  
**Canada Economic Development for the Regions of Quebec**  
**Tour de la Bourse**  
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**Montreal, Quebec**  
**H4Z 1E8**  
**Telephone: (514) 496-2482**  
**Fax: (514) 283-0041**  
**E-Mail: daousra0@dec-ced.gc.ca**

*Canada Economic Development Canada reports are available upon request.*

**B. Legislation administered**

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The Minister has sole responsibility to Parliament for the following Acts:

None

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The Minister shares responsibility to Parliament for the following Acts:

<i>Department of Industry Act</i>	(S.C., 1995, ch. c. 1)
<i>Small Business Loans Act</i>	(S.C., 1993, ch. c. 6)

## C. References

### □ List of Canada Economic Development offices

#### **Montreal (Head Office)**

Tour de la Bourse  
800 Victoria Square  
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Montreal, Quebec H4Z 1E8

(514) 283-6412  
Fax: (514) 283-3302

#### **Hull (Policy and Advocacy)**

Place du Portage, Phase II  
165 Hôtel-de-Ville Street  
P.O. Box 1110, Station B  
Hull, Quebec J8X 3X5

(819) 997-3474  
Fax: (819) 997-3340

### **BUSINESS OFFICES**

#### **Abitibi-Témiscamingue**

906 5<sup>th</sup> Avenue  
Val d'Or, Quebec J9P 1B9

(819) 825-5260 ● 1-800-567-6451  
Fax: (819) 825-3245

#### **Bas-Saint-Laurent/Gaspésie/Îles-de-la-Madeleine**

General Trust of Canada Building  
2 Saint-Germain Street East, Suite 310  
Rimouski, Quebec G5L 8T7

(418) 722-3282 ● 1-800-463-9073  
Fax: (418) 722-3285

#### **Centre du Québec**

Place du Centre  
150 Marchand Street, Suite 502  
Drummondville, Quebec J2C 4N1

(819) 478-4664 ● 1-800-567-1418  
Fax: (819) 478-4666

#### **Côte-Nord**

701 Laure Blvd., 2nd floor  
Suite 202B, P.O. Box 698  
Sept-Îles, Quebec G4R 4K9

(418) 968-3426 ● 1-800-463-1707  
Fax: (418) 968-0806

#### **Estrie**

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65 Belvedere Street North  
Suite 240  
Sherbrooke, Quebec J1H 4A7

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#### **Île-de-Montréal**

Tour de la Bourse  
800 Victoria Square  
Suite 3800, P.O. Box 247  
Montreal, Quebec H4Z 1E8

(514) 283-2500  
Fax: (514) 496-8310

#### **Laval - Laurentides - Lanaudière**

Tour du Triomphe II  
2540 Daniel Johnson Blvd, Suite 204  
Laval, Quebec H7T 2S3

(450) 973-6844 ● 1-800-430-6844  
Fax: (450) 973-6851

#### **Mauricie**

Immeuble Bourg du Fleuve  
25 des Forges Street, Suite 413  
Trois Rivières, Quebec G9A 2G4

(819) 371-5182 ● 1-800-567-8637  
Fax: (819) 371-5186



**Montérégie**

Complexe Saint-Charles  
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Fax: (450) 928-4097

**Outaouais**

259 Saint-Joseph Blvd  
Suite 202  
Hull, Quebec J8Y 6T1

(819) 994-7442 ● 1-800-561-4353  
Fax: (819) 994-7846

**Saguenay/Lac St Jean**

170 Saint-Joseph Street South  
Suite 203  
Alma, Quebec G8B 3E8

(418) 668-3084 ● 1-800-463-9808  
Fax: (418) 668-7584

**Nord-du-Québec**

Tour de la Bourse  
800 Victoria Square  
Suite 3800, P.O. Box 247  
Montreal, Quebec H4Z 1E8

(514) 496-7609 ● 1-800-561-0633  
Fax: (514) 283-3637

**Québec/Chaudière-Appalaches**

112 Dalhousie Street  
2<sup>th</sup> Floor  
Quebec, Quebec G1K 4C1

(418) 648-4826 ● 1-800-463-5204  
Fax: (418) 648-7291

**Virtual Office of Canada Economic Development**  
**[www.dec-ced.gc.ca](http://www.dec-ced.gc.ca)**

□ **CORPORATE DOCUMENTS**

- Addresses of Business Offices (Leaflet) [November 1998]
- 1999-2000 Estimates, Report on Plans and Priorities [May 1999]
- *E*-Commerce: Supporting market development, innovation and entrepreneurship [September 1999]
- Multimedia Experimentation Fund [May 1999]
- The Small Business IDEA Program [January 1998]
- IDEA-SME for the Environmental Industry [March 1999]
- Quality Objective: Aiming for Excellence - ISO 9002 Certification for the IDEA-SME Program [June 1999]
- A Partner in your growth [September 1998]
- Priority 2000: A Bug-free enterprise! [June 1999]
- Quality Policy (Leaflet) [June 1999]

□ **REGIONAL DOCUMENTS**

- Rural Enterprises (Bas-Saint-Laurent — Gaspésie — Îles-de-la-Madeleine and Côte-Nord) [September 1998]
- Coastal Quebec Fund (Bas-Saint-Laurent — Gaspésie — Îles-de-la-Madeleine and Côte-Nord) [May 1999]
- The Amiante MRC. A dynamic community partner [June 1999]
- Québec — Chaudière-Appalaches TechnoRegion [December 1998]

These publications may be obtained from:

**Info entrepreneurs**  
**5 Place Ville Marie**  
**Plaza Level, Suite 12500**  
**Montreal, Quebec H3B 4Y2**

**(514) 496-INFO ● 1-800-322-INFO**  
**Fax: (514) 496-5934**

**Internet: [www.infoentrepreneurs.org](http://www.infoentrepreneurs.org)**

**Ressources Entreprises**  
**825 Sainte-Thérèse Street**  
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**G1N 1S6**

**Telephone: (418) 649-4636**  
**Fax: (418) 682-1144**



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**Part VII**  
**Appendices**

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## **APPENDIX I**

### **Explanation of financial discrepancies**

#### **IDEA-SME PROGRAM**

The level of planned spending for the IDEA-SME Program in 1998-1999 had been set at \$50 million during preparation of the Report on Plans and Priorities in the fall of 1997, an amount equal to the forecast level of spending for the previous year. Trends indicated that the program had reached cruising speed and that the number of applications might decline when the RSI Program came into effect. However, a number of large-scale projects, which had been in the development stage for some time, took final shape in 1998-1999, while the implementation of a number of regional strategies related to the RSI Program was postponed to the end of the fiscal year.

Actual spending was \$71.2 million, and the discrepancy of \$21.2 million was offset by the surplus in planned spending for the RSI Program.

#### **REGIONAL STRATEGIC INITIATIVES PROGRAM (RSI)**

Planned spending of \$61.1 million under the Regional Strategic Initiatives Program (RSI) took into account the fact that the overall regional strategic initiatives would be implemented at the beginning of the 1998-1999 fiscal year. However, the preparation of these strategies required many consultations with other economic stakeholders in the regions. These consultations generally resulted in changes or adjustments in the proposed strategies, thus delaying their approval. A number of regional strategies were therefore implemented only at the end of the 1998-1999 fiscal year.

Moreover, this situation had been anticipated and the Agency asked for a reduction in planned spending under this program when its reference levels were updated. The total authorities requested totalled \$21.9 million and actual spending in 1998-1999 equalled that amount.

## **CANADA-QUEBEC INFRASTRUCTURE WORKS PROGRAM**

The \$67.8 million in total authorities assigned under the Canada-Quebec Agreement on the Infrastructure Works Program was based on financial forecasts provided by the Quebec Department of Municipal Affairs, the project leader. Since some large-scale projects under this program were not completed within the planned deadlines, the entire amount was not paid out as planned. Actual spending under this program therefore totalled \$44.7 million and the unspent amounts were carried forward to 1999-2000.

## **COMMUNITY FUTURES PROGRAM (CFP)**

The discrepancy between actual spending of \$27.1 million and planned spending of \$12.7 million is basically explained by the implementation of the Youth Strategy by the CFDCs, which called for funding of \$10.4 million this year, and by the recapitalization of some CFDCs which lacked the investment funds to operate properly. Consequently, this investment fund was increased by \$2.4 million. The ceiling for amounts to be granted to each CFDC was also slightly increased in 1998-1999, resulting in increased spending in the order of \$1.6 million.

## **SPECIAL FUND FOR COASTAL QUEBEC (SFCQ)**

The \$6.2 million in spending forecast in the Special Fund for Coastal Quebec (SFCQ) budget took into account the expiry in April 1998 of the support measures for claimants under the Groundfish Strategy. Since the measure was extended for another year, the number of projects submitted under the SFCQ was lower than expected.

Moreover, planned spending under this program also took into account a number of major projects being developed in the mariculture sector. However, with the coming into effect of the Quebec government's policy on the mariculture industry, these projects were postponed and the planned expenditures will occur in 1999-2000 instead.

### **TEMPORARY ECONOMIC RECONSTRUCTION PROGRAM (TERP)**

The TERP Program comes under a Canada-Quebec agreement for which each level of government provided \$25 million. The program has now ended and the allocated envelope will not be completely used, particularly because of the component for manufacturing enterprises whose activities were less affected by the torrential rains than had been forecast.

Since the funds allocated to this program could not be used for other purposes, they appear in the 1997-1998 budget.

### **ECONOMIC RECOVERY ASSISTANCE PROGRAM (ERAP)**

The planned spending of \$63.2 million for the ERAP was based on a survey carried out by the Quebec Chamber of Commerce, which estimated that almost 25,000 enterprises were experiencing difficulties as a result of the ice storm. Since only 3,500 enterprises submitted applications under the program, and on average, only about \$1,800 per application was granted actual spending was limited to \$6.4 million, a savings of \$55.6 million. An amount of \$36 million was then transferred to Human Resources Development Canada (HRDC).



## APPENDIX II

### List of partners participating in continuous measurement in 1998-1999

#### Community Futures Development Corporations (CFDCs)

- Amiante CFDC
- Arthabaska-Érable CFDC
- Papineau CFDC
- Matane Region CFDC
- Manicouagan CFDC
- Acton Region CFDC
- Îles-de-la-Madeleine CFDC
- Achigan-Montcalm CFDC
- Témiscamingue Development Corporation
- La Baie/Bas-Saguenay CFDC

#### *Le Groupement des chefs d'entreprise du Québec*

#### Regional export promotion organizations (ORPEX)

- Lower St Lawrence Export Promotion Corporation (CORPEX)
- Gaspésie and Magdalen Islands Marketing Secretariat (SMMGIM)
- Saguenay/Lac St Jean Regional Export Development Service (SERDEX)
- *La Société de promotion économique du Québec métropolitain* (SPÉQEM)
- Chaudière-Appalaches Export

## **Other Canada Economic Development partners for whom some results are included in this Report**

### **Information-advice:**

Quebec Chamber of Commerce

### **Innovation:**

SME Technology Development Support Corporation  
Jonquière High Technology Centre  
Abitibi-Témiscamingue Technology Corporation  
Simultaneous Engineering Institute (IIS)  
La Prairie Incubation Centre

### **Export marketing:**

Forest Industry Export Marketing Bureau  
Abitibi-Témiscamingue Export Promotion Office  
Mauricie International  
Estrie-International 2007 Inc  
Eastern Townships Export Club  
Richelieu Yamaska Export Marketing Service  
South Shore SODEC  
Stratégie Contact  
Info-Opportunités  
Antenne PME

### **Entrepreneurship**

UQAC Entrepreneurship and Spinoff Centre  
Quebec Regional Enterprise Development Centre  
Action PME Beauce  
Regional Entrepreneurship Centre  
HEC-POLY-UdeM Entrepreneur Centre  
Montreal Mayor's Foundation for Youth  
FIDE  
Mathieu Da Costa Business Development Corporation  
Emploi-Montréal Development Fund

### APPENDIX III

#### List of Regional Strategic Initiatives:

##### Strategies:

##### Components:

Northern Quebec

DEVELOPMENT OF TECHNOLOGICAL CAPABILITY  
OF THE REGION

TOURISM DEVELOPMENT

SUPPORT FOR THE ADJUSTMENT CAPABILITY OF  
THE REGION

Lower St Lawrence/Gaspé/  
Magdalen Islands

MARINE TECHNOPOLE

TOURISM DEVELOPMENT

Quebec City/Chaudières-  
Appalachians

BUILDING THE TECHNOREGION

INTERNATIONAL INFLUENCE

AMIANTE MRC

Saguenay/Lac St Jean

DEVELOPMENT OF TECHNOLOGICAL CAPABILITY

TOURISM DEVELOPMENT

SUPPORT FOR ADJUSTMENT CAPABILITY

## APPENDIX IV

### The Agency's Quality Policy

To satisfy client needs and expectations, Canada Economic Development is committed to responding to the specific needs of SMEs and the non-profit organizations that support them.

*Providing quality service means meeting client expectations.*

- 
- Customized service**
    - ◆ Made to measure
    - ◆ Close attention to client needs
    - ◆ Understanding of their regional situation
    - ◆ Flexible services
  
  - Professional and courteous staff**
    - ◆ Highly qualified advisors and personnel
    - ◆ Competitive hiring process, based on competencies
    - ◆ Training and development plan
    - ◆ Continuous evaluation
  
  - Accessible service**
    - ◆ Thirteen offices
    - ◆ Services provided in both official languages
    - ◆ Continuous evaluation of response time
  
  - Confidential service**
    - ◆ Commitment to professional secrecy and oath of allegiance
    - ◆ Documents protected, subject to the *Access to Information Act* and the *Privacy Act*
    - ◆ Secure premises
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## APPENDIX V

**Crosswalk between Table B-1 of the main commitments presented in the Performance Report for the period ending March 31, 1999 and the table of main commitments presented in the Report on Plans and Priorities for fiscal 1998-1999**

Departmental Performance Report for the Period Ending March 31, 1999	Report on Plans and Priorities for 1998-1999	Achievements reported for 1998-1999 in:
<p>1. Contribution to the growth of small and medium enterprises (SMEs) in every region of Quebec</p>	<p>1. Support for the growth of SME's in Quebec</p> <p>Via technology development:</p> <ul style="list-style-type: none"> <li>▶ Marketing of innovation: about 250 cases in the year 2000-2001</li> <li>▶ Partnership with 5 financial institutions: support for over 100 new economy firms</li> <li>▶ Services of a qualified engineer made available to about 100 manufacturing firms annually</li> <li>▶ Technology incubators: helping to start-up about 30 to 50 enterprises for 3 years</li> <li>▶ GATIQ Quebec — Chaudières-Appalaches Technoregion: start-up, by the year 2000, of about 30 technology firms</li> </ul>	<p>Part III, section C, 3.2.1, ii. of DPR</p> <p>Part III, section C, 3.2.1, ii. of DPR</p> <p>Part III, section C, 3.2.1, ii. of DPR</p> <p>Part III, section C, 3.2.1, iv. of DPR</p> <p>Part III, section C, 3.2.1, iv. of DPR</p>

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**Crosswalk between Table B-1 of the main commitments presented in the Performance Report for the period ending March 31, 1999 and the table of main commitments presented in the Report on Plans and Priorities for fiscal 1998-1999**

<b>Departmental Performance Report for the Period Ending March 31, 1999</b>	<b>Report on Plans and Priorities for 1998-1999</b>	<b>Achievements reported for 1998-1999 in:</b>
<p>1. Contribution to the growth of small and medium enterprises (SMEs) in every region of Quebec</p>	<p>1. Support for the growth of SME's in Quebec</p> <p>Via market development:</p> <ul style="list-style-type: none"> <li>▶ 560 market development projects annually</li> <li>▶ 200 firms sensitized to exporting annually</li> </ul> <p>Via the development of entrepreneurship:</p> <ul style="list-style-type: none"> <li>▶ 5 Conference /Info-fairs</li> <li>▶ Establishment of about 60 service locations of CBSCs</li> <li>▶ Investment fund for young entrepreneurs: creation of about 1,450 jobs in 2 years</li> </ul>	<p>Part III, section C, 3.2.1, iii. of DPR</p> <p>Part III, section C, 3.2.1, iii. of DPR</p> <p>Part III, section C, 3.2.1, i. of DPR</p> <p>Part III, section C, 3.2.1, i. of DPR</p> <p>Part III, section C, 3.2.1, iv. of DPR</p>

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**Crosswalk between Table B-1 of the main commitments presented in the Performance Report for the period ending March 31, 1999 and the table of main commitments presented in the Report on Plans and Priorities for fiscal 1998-1999**

<b>Departmental Performance Report for the Period Ending March 31, 1999</b>	<b>Report on Plans and Priorities for 1998-1999</b>	<b>Achievements reported for 1998-1999 in:</b>
<p>1. Contribution to the growth of small and medium enterprises (SMEs) in every region of Quebec</p>	<p>1. Support for the growth of SME's in Quebec</p> <p>Via the development of entrepreneurship:</p> <ul style="list-style-type: none"> <li>▶ 2 new university and colleges entrepreneurship centres</li> <li>▶ 10 new student entrepreneur clubs</li> <li>▶ Partnership with a financial institution to facilitate access to funding by young entrepreneurs</li> </ul>	<p><i>More complete results will be measured in 1999-2000 and will be shown in the next Performance Report</i></p> <p><i>Objective attained in 1999-2000 and will be reported in the next Performance Report</i></p>
<p>2. Support to the development of economic potential in Quebec regions via regional strategic initiatives</p>	<p>2. Carrying out regional strategic initiatives</p> <p>Other regions of Quebec</p> <p>Rural Enterprises</p>	<p><i>More complete results will be presented in the Agency's next Performance Report</i></p>

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**Crosswalk between Table B-1 of the main commitments presented in the Performance Report for the period ending March 31, 1999 and the table of main commitments presented in the Report on Plans and Priorities for fiscal 1998-1999**

Departmental Performance Report for the Period Ending March 31, 1999	Report on Plans and Priorities for 1998-1999	Achievements reported for 1998-1999 in:
2. Support to the development of economic potential in Quebec regions via regional strategic initiatives	2. Carrying out regional strategic initiatives  Federal Action Strategy for Greater Montreal  ▶ Total strategic investments on the order of \$180 to \$270 million annually	Part III, section C, 3.2.2 of DPR
3. Support the economic development of local communities in Quebec	(Included at point 1 in the Report on Plans and Priorities)  Via local economic development:  ▶ 54 CFDCs helping to safeguard and create about 6,500 jobs annually	Part III, section C, 3.2.3 of DPR
4. Special measures to disrupted regional economies in Quebec	3. Special adjustment measures in Quebec  Special Fund for the Economic Development and Adjustment of Quebec Fishing Communities (coastal Quebec)  ▶ Diversification of the coastal economy: creating or safeguarding 200 jobs  ▶ Community empowerment	Part III, section C, 3.2.4 of DPR  Part III, section C, 3.2.4 of DPR

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**Crosswalk between Table B-1 of the main commitments presented in the Performance Report for the period ending March 31, 1999 and the table of main commitments presented in the Report on Plans and Priorities for fiscal 1998-1999**

<b>Departmental Performance Report for the Period Ending March 31, 1999</b>	<b>Report on Plans and Priorities for 1998-1999</b>	<b>Achievements reported for 1998-1999 in:</b>
<p>3. Special measures to disrupted regional economies in Quebec</p>	<p>3. Special adjustment measures in Quebec</p> <p>Temporary Economic Reconstruction Program (TERP)</p> <ul style="list-style-type: none"> <li>▶ Contribution to safeguarding or creating over 1,500 jobs through support for revitalization of SMEs</li> </ul> <p>Economic Recovery Assistance Program (ERAP)</p> <ul style="list-style-type: none"> <li>▶ Normal activities resumed by SMEs affected</li> </ul>	<p>Part III, section C, 3.2.4 of DPR</p> <p>Part III, section C, 3.2.4 of DPR</p>
<p>(Not included in the table this year, end of the program)</p>	<p>4. Contribution to job-creating public works in Quebec</p> <ul style="list-style-type: none"> <li>▶ \$2.2 billion invested under the Canada-Quebec Infrastructure Agreement for 31,300 jobs</li> </ul>	<p>Part III, section C, 3.2.2 of DPR</p>