

Atlantic Canada Opportunities Agency



**2004-2005
Estimates**

Part III - Report on Plans and Priorities

Minister of ACOA

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Section 1 – Minister’s Message

As the Atlantic Canada Opportunities Agency (ACOA) enters its seventeenth year of existence, the Agency is making a greater, more profound difference for the people of New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador. ACOA is a partner and an advocate, a co-ordinator, a policy maker, and a catalyst for economic growth.

Thanks to ACOA’s efforts, Atlantic Canadians today enjoy more employment opportunities and higher earning potential. The region’s productivity is greater, and trade and foreign investment are on the rise. A higher level of entrepreneurial skill is clearly evident, and the survival rate for new business has substantially improved. Commercially promising research and development has increased, and small and medium-sized enterprises (SMEs) are finding easier access to capital for development and growth. Indeed, it is estimated that GDP was almost \$1 billion higher annually by 2002 than it would have been in the absence of ACOA’s expenditures in direct support for business.

As a member of the Industry Portfolio, ACOA continues to advance the Government of Canada innovation agenda across the region, working with Atlantic Canadians to build a 21st century economy. An example is the Atlantic Investment Partnership (AIP), a \$700-million program designed to strengthen the capacity of Atlantic Canadians to innovate and compete on an international level. A recently completed independent formative evaluation of the Atlantic Innovation Fund (AIF), a key component of the AIP, concluded that the AIF is increasing research and development (R&D) capacity and activity, and is contributing to the development and commercialization of new products, services and processes. The AIF, although a relatively new model for encouraging R&D and commercialization of new technologies, holds great promise for accelerating the development of knowledge-based industry in Atlantic Canada.

Trade and investment have assumed growing prominence in ACOA’s efforts, and their promotion will continue to be critical to the region’s economic development. Community economic development remains high on the Agency’s agenda, focussing on working with regional and local partners to build community capacity to create viable opportunities for economic development. An increase in tourism-related activity is another important objective, with the 2004 Tourism Atlantic Marketing Initiative forecasted to yield a 12:1 return on investment. Exposure of young Atlantic Canadians to entrepreneurial role models remains a high priority, and Agency activities will continue a strong focus on SMEs, which are significant contributors to new employment in Atlantic Canada.

Despite recent progress, the region still trails the rest of Canada in terms of income, and unemployment remains unacceptably high. Today's marketplace demands ideas and skills and Atlantic Canadians have the talent and ability to compete with the world and win.

As Minister, I am committed to ACOA's continuing efforts to help all parts of Atlantic Canada – rural and urban, English-speaking and French-speaking – to share in the nation's prosperity. Given Atlantic Canada's tradition of pride and perseverance, I am confident that, with ACOA's dynamic economic leadership, the programs detailed in these pages will result in a continuation of the remarkable progress we have witnessed since the Agency's creation.

The Honourable Joseph McGuire
Minister
Atlantic Canada Opportunities Agency

Management Representation Statement

Report on Plans and Priorities 2004-2005

I submit, for tabling in Parliament, the 2004-2005 Report on Plans and Priorities (RPP) for the Atlantic Canada Opportunities Agency.

This document has been prepared based on the reporting principles and disclosure requirements contained in the *Guide to the preparation of the 2004-2005 Report on Plans and Priorities*:

- It accurately portrays the Agency's plans and priorities.
- The planned spending information in this document is consistent with the directions provided in the Minister of Finance's Budget and by the Treasury Board Secretariat.
- It is comprehensive and accurate.
- It is based on sound underlying Agency information and management systems.

The reporting structure on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Name: _____
Monique Collette, President
Atlantic Canada Opportunities Agency

Date: _____

Section II – Raison d’être

Raison d’être

The Atlantic Canada Opportunities Agency’s raison d’être is defined by its name. It is a Government of Canada agency designed to help create economic opportunities for people who live in Atlantic Canada. ACOA has been, is now and will continue to be, a significant contributor to Atlantic Canada’s long-term economic prosperity.

The mission of ACOA is to improve the economy of Atlantic Canadian communities through the successful development of business and employment opportunities.

ACOA provides opportunities for Atlantic Canadians to:

- become entrepreneurs;
- be more innovative by developing new products, services and technologies that are currently unavailable in the market;
- compete in the knowledge-based economy;
- begin exporting or selling more products and services to more markets;
- grow their tourism business;
- build self-sustaining communities; and
- be productive through business expansion and technology adoption.

ACOA’s programs emphasize technology, innovation, and skills and learning, thus enabling the region to move beyond its reliance on traditional, yet still important, resource-based industries.

ACOA is a partner and an advocate, a co-ordinator and a policy-maker, and a catalyst for economic growth. ACOA is a champion for Atlantic Canada.

Benefits for Atlantic Canadians:

- *more innovative businesses*
- *more R&D capacity in post-secondary research centres*
- *more competitive businesses through use of technology and innovation*
- *more entrepreneurs with better business skills*
- *more businesses surviving*
- *more tourists spending more dollars*
- *better access to capital*
- *more and higher-paying jobs*
- *increased trade and foreign investment in the region*
- *promotion of their interests in national debates, policy and program development*
- *stronger community capacity for creating viable opportunities*

Section III – Planning Overview

The ACOA Mandate

The Agency's mandate is derived from Part I of the *Government Organization Act, Atlantic Canada 1987, R.S., c G-5-7*, otherwise known as the *Atlantic Canada Opportunities Agency Act*.

Its purpose is to “increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned incomes and employment opportunities in that region.”

Our mandate is to help increase employment opportunities and earned income for Atlantic Canadians.

An agency headquartered in Moncton, New Brunswick, ACOA has regional offices in each provincial capital, field offices in cities and towns across the four Atlantic provinces and an office in Ottawa.

ACOA works closely with several federal departments and agencies. Since 1996, the Agency has been a member of the Industry Portfolio. The Portfolio's plans and priorities reflect the federal government's goal of building a knowledge-based economy in all regions of Canada and to advance the government's agenda for economic opportunities and innovation in Canada.

The Portfolio approach: a commitment to effective co-operation and partnerships, a concept that is central to how ACOA addresses the needs and opportunities of Atlantic Canadian SMEs.

The ACOA legislation directs that the Agency give particular emphasis to the development of small and medium-sized enterprises (SMEs) through policy, program and project development and implementation, and by advocating the interests in Atlantic Canada in national economic policy and programs, project development and implementation. ACOA seeks to ensure that business development tools and resources are available to serve the needs of the region's existing and emerging entrepreneurs. Each year, ACOA receives an average of 2,500 applications covering a broad range of activities, from the start-up of new businesses to research and development of new technologies. Projects are largely assisted through unsecured, interest-free loans to commercial and non-repayable contributions to not-for-profit enterprises.

As part of its mandated role in policy research and advocacy, the Agency has been actively involved in the discussion and debate concerning the economic future of the region.

Strategic Directions

The Agency has three strategic outcomes that reflect its mandate to help increase employment opportunities and earned income for Atlantic Canadians.

1. Enterprise Development – improving the growth and competitiveness of Atlantic small and medium-sized enterprises (SMEs), leading to increased productivity, earned incomes and job creation.
2. Community Development – increasing economic opportunities for Atlantic Canada through community economic development.
3. Policy, Advocacy and Co-ordination – developing policies and programs to support and promote growth in the Atlantic economy.

ACOA's overall approach to achieving these three broad strategic outcomes is primarily through the following program activities and sub-activities.

1. *Enterprise Development*

a) Access to Capital and Information

i) Innovation

Innovation will continue to be at the forefront of the Agency's economic agenda. There has been significant momentum created through the Atlantic Innovation Fund (AIF) and investments by the National Research Council (NRC), through the Atlantic Partnership Program, that are leading to increased research and development activity in Atlantic Canada including partnerships and alliances among private sector firms, universities and research institutions. The AIF has played an important role in drawing forth innovative proposals from across the region, which have helped to identify a number of emerging sectors.

To continue this momentum, ACOA will use existing programs such as the Business Development Program and the Atlantic Investment Partnership to develop the emerging sectors. Emerging sector development will be strengthened by ensuring that future investment, human resource development and retention planning and commercialization strategies are linked to these sectors.

ii) Entrepreneurship and Business Skills Development

ACOA will continue to focus on helping entrepreneurs to start and grow their businesses, and will emphasize life-long learning as part of Atlantic Canada's business culture. Promoting and developing advanced management skills to improve SME competitiveness, in particular those skills relevant to the knowledge-based economy such as innovation and technology adoption, will remain a priority. The Agency will also place emphasis on business management skills for young Atlantic Canadians and women entrepreneurs, as well as entrepreneurship education and Aboriginal entrepreneurship development.

iii) Trade and Investment

Trade and investment are key parts of ACOA's work. Promoting them will continue to be critical to economic development. The efforts, whether to boost export trade or to encourage new investment from outside, will hinge on the region's relationships with the United States, but will also involve broadening horizons to take in other parts of the world. This will be accomplished by leading Team Canada Atlantic missions to various markets, by participating in Team Canada missions, and by enhancing Atlantic SMEs' skills in export marketing.

iv) Tourism

Tourism in Atlantic Canada will continue to offer opportunities for economic growth. This growth will be based on the region's natural environment, cultural diversity, human history and well-developed visitor infrastructure, including travel for business and conventions. As with trade and investment, further growth in tourism will rely significantly on the United States, but the government/private sector Atlantic Canada Tourism Partnership will continue to push marketing and promotion in diverse international markets. Benefits of increased tourism will be felt in many sectors, including accommodation, transportation, retail, food service, arts and culture, and recreation.

v) Other Support to SMEs

Investing through repayable loans to business via the Business Development Program (BDP) will be supplemented by providing access to capital in different ways, such as promoting venture capital funds and locally based lending delivered by the Community Business Development Corporations (CBDCs). As commercial financial services continue to be withdrawn from many smaller and more remote communities, the gap will have to be addressed. Access to capital also needs to have regard for the widely different kinds of business it seeks to accommodate, from new technology start-ups to established companies in traditional sectors.

ACOA will examine its programming to determine how it will address the needs of social enterprises in support of the entrepreneurial social movement presented in the February 2004 Speech from the Throne.

2. *Community Development*

a) *Community Economic Development*

Community Economic Development represents a particularly interesting mix of challenges. ACOA programming traditionally has leaned more toward rural communities and small towns that are home to many Atlantic Canadians and where development needs were more urgent. Recently, cities have come to the

forefront of policy debate in Canada as they exercise an influence on economic growth. They are usually the centres of growth for the new economy and are the destination for many immigrants. They also serve as centres of learning, health care, R&D, culture and entertainment, and provide many of the business and personal services that Atlantic Canadians have come to take for granted. Hence, ACOA must be careful to recognize the importance of cities in economic development. Notwithstanding the importance of cities, ACOA will focus on rural and small town economies since approximately 46% of the population in Atlantic Canada live in rural communities and the economic strength of these communities is an essential part of the economic health of the region.

Economic development overlaps with social development in communities. ACOA's mandate is economic development, but often this cannot be segregated from issues that have a social aspect. ACOA will support the Government of Canada's social agenda where economic opportunity can be demonstrated. This will take on an extra emphasis as the Agency works toward addressing the social economy objectives and attracting more immigrants to Atlantic communities to counter some of the effects of the region's declining and aging population.

3. *Policy, Advocacy and Co-ordination*

ACOA undertakes policy research and analysis of economic environment, of regional circumstances, and of new trends and best practices to provide input to the decision-making process, to advise on new directions and to tailor action to the opportunities and challenges in Atlantic Canada. In cooperation with other regional agencies, ACOA is exploring a renewed mechanism dedicated to the coordinated delivery of federal programs and initiatives that relate to regional development while also providing policy input into the national agenda.

Advocacy promotes Atlantic Canada's interests in national debates and in policy and program development. The objective of the co-ordination priority is to encourage a more horizontal approach working in co-operation with other federal departments to implement the federal regional development agenda. Co-ordination with provincial governments and stakeholders is also important to develop the best and most efficient means of fostering development in the region. A pan-Atlantic approach is promoted where there are commonalities of interests (e.g. trade initiatives and encouraging immigration to the region).

ACOA Advisory Board

At the strategic level, ACOA Advisory Board members, who are successful entrepreneurs, business professionals and community leaders, provide direction and support through expert advice to the President and Minister of ACOA on a broad spectrum of Agency strategy and policy matters.

Significant Programs

Atlantic Investment Partnership

In 2001, the Government of Canada approved the \$700-million Atlantic Investment Partnership. This five-year initiative features a mix of strategic investments and programs designed to strengthen the capacity of Atlantic Canadians to innovate and compete in the global, knowledge-based economy. The AIP places priority on developing innovation and technology, increasing trade and investment, enhancing entrepreneurship and business skills

development, and promoting rural and community economic development. The AIP is a pan-Atlantic initiative and encourages partnerships between key stakeholders, including different levels of government, communities, businesses, universities, colleges and research institutes. Although ACOA is delivering most of the elements of the AIP, the National Research Council (NRC) also plays a role in the Partnership for Innovation element. The NRC is investing \$110 million over five years to expand and strengthen its network of research centres in Atlantic Canada. While the NRC centres have national mandates, they focus on specific areas of technology that represent economic development investment opportunities in the Atlantic region.

Components of the Atlantic Investment Partnership:

- *Partnership for Innovation: The Atlantic Innovation Fund*
- *Atlantic Trade and Investment Partnership*
- *Entrepreneurship and Business Skills Development Partnership*
- *Strategic Community Investment Fund*

Critical Issues, Trends and Recent Developments

The Atlantic Canadian economy expanded and diversified during the 1998 to 2002 period, with annual real economic growth matching the pace of the national economy, in the high end of the 3% to 4% range. Private sector forecasts anticipate moderate growth for Atlantic Canada's 2004 real Gross Domestic Product (GDP) within the 2% to 3% range.

The oil and gas industry in Atlantic Canada, although still relatively young, is delivering significant benefits to the region, with expenditures of over \$16 billion in actual and expected spending (1991-2006) in engineering/procurement/construction, and operating activities. Many Atlantic Canada businesses participate in and have benefited from this investment. Over 12,000 jobs have accrued in the region from oil and gas activities. Expanding on these benefits represents an opportunity for the region.

A key to increasing regional benefits from the oil and gas industry is to attract additional capital investment from existing players and new entrants. New capital investment is driven by a number of factors including the quantity of the hydrocarbon resources and the

relative cost structure of the Atlantic industry. For this reason, the region is identifying opportunities to streamline and improve the effectiveness of the regulatory environment. Efforts are also aimed at identifying opportunities to grow a competitive local supply and service industry.

Unemployment rates in the region have been falling and employment growth over the 1998-2002 period equalled the Canadian rate. However, unemployment in the region is disproportionately a rural issue. Among rural areas, unemployment poses significant challenges in Cape Breton, northeastern New Brunswick and parts of Newfoundland and Labrador. Compared with Canada as a whole, the region's population is heavily rural. Consequently, support for community economic development in all parts of the region is necessary to address opportunities of a local nature. However, economic development in rural areas is being hampered by the reduced services from the commercial banking sector, necessitating measures to ensure access to capital by government and community-developed organizations.

In 2001, the region's population fell for the first time since 1851. The 2001 census indicated that Atlantic Canada's population dropped 2.1% from 1996. The decline is largely due to out-migration, especially of young, better-educated people leaving the region in search of jobs. Another contributing factor to weak population performance is that the region does not attract many immigrants. During the 1990s, only 1% of all immigrants coming into Canada settled in Atlantic Canada. Coupled with the region's weak population performance, the lack of immigrants is a significant challenge.

Atlantic businesses are becoming more innovative, adopting and adapting new technologies and processes. Manufacturers, in particular, have demonstrated an innovative flair, as have certain services such as finance and insurance¹. Challenges remain, however. Some companies are weak at integrating new technologies, a small number of patents are issued, inadequate resources are allocated to R&D, and workers do not always receive enough training for the new technologies. Innovation in SMEs can also be costly, and can be held back by lack of capital and R&D funds. Entrepreneurs point to a shortage of certain critical skills as a drawback. Some have overcome this by collaborating more with centres of knowledge, especially universities.

Productivity levels are a function of the industrial structure of the region. Atlantic Canada's economy has a relatively small and narrow manufacturing base, accounting for only 10% of the economy, compared with 17% for the nation. There are a few large producers, but the majority of firms are small.

Natural resource-based industries account for a greater portion of the Atlantic economy, and certain primary resource activities are seasonal, which means capital is often idle for parts of the year, thereby reducing productivity levels. The region's productivity can be enhanced by addressing research and development spending, innovation, technology

¹ See *Innovation in Atlantic Canada*, Yves Bourgeois and Samuel LeBlanc, Canadian Institute for Research on Regional Development <http://www.acoa-apeca.gc.ca/e/library/reports/iiac.pdf>

adoption, educational attainment and worker training. Improving performance in these areas will also increase Atlantic Canada's competitiveness.

The process for improving the performance of Atlantic Canada's economy involves strengthening the networks and linkages between numerous regional stakeholders. It is through such relationships that local knowledge is diffused and can link to local strengths and competitive advantages. Achieving this will improve the region's learning and innovation capabilities as well as its long-term ability to adopt, adapt, develop, and commercialize valuable ideas.

**Selected Highlights from
Atlantic Report, Fall 2003
Atlantic Provinces Economic Council
<http://www.apec-econ.ca/Fall03highlights.pdf>**

The region's growth prospects for 2004 will be held back by the high Canadian dollar and the fiscal challenges faced by all four provinces. Provinces must repay overpayments on fiscal transfers of \$234 million over the next five years.

In **Nova Scotia**, stronger export demand from the U.S. should help push up growth from about 2.3% in 2003 to about 2.8% next year. A 10% tax cut will boost consumer spending, while offshore exploration and investment on the Sable project and other infrastructure spending will support major project activity.

New Brunswick should see a recovery from GDP growth of about 2% in 2003 to about 2.7% in 2004 led by stronger consumer spending. Firmer commodity prices and rising demand from the U.S. should help resource and export industries, but the high Canadian dollar will dampen growth.

Prince Edward Island is likely to turn in growth of just under 2% in 2003, with a modest pick up to about 2.7% in 2004. Higher non-residential investment should help offset a modest decline in housing construction. Export demand should firm up, but a high Canadian dollar will limit net tourism expenditures on the Island.

Newfoundland and Labrador will lose its top growth spot in Canada next year following GDP growth of over 15% in 2002 and over 4% in 2003. Without a further boost from higher oil production in 2004, economic growth is likely to slip to 2.5%. The province will benefit from increased investment expenditures on the Voisey's Bay Project, while income growth should sustain consumer spending.

Section IV – Plans and Priorities by Strategic Outcomes

Summary

Strategic Outcome One: Enterprise Development Improved growth and competitiveness of Atlantic small and medium-sized enterprises (SMEs), leading to increased productivity, earned incomes and employment opportunities	2004-2005 Resources (\$ millions)
Program Activity: Access to Capital and Information	
Sub-Activity Priority Outcomes:	
a) Innovation: Development and commercialization of new technologies, increased innovation capacity and growth of strategic sectors	124.8
b) Entrepreneurship and Business Skills Development: Develop the motivation and business skills required to start and successfully grow businesses	35.4
c) Trade: Increased export performance of the Atlantic region	30.2
d) Investment: Increased Foreign Direct Investment in Atlantic Canada	8.5
e) Tourism: Increased sales, revenue, profitability, investment and wages	32.6
f) Other Support to SMEs: Employment, new business start-ups and expansion projects	<u>46.1</u>
	277.6
Strategic Outcome Two: Community Development Economic opportunities for Atlantic Canada through community economic development	
Program Activity: Community Economic Development	122.4
Sub-Activity Priority Outcomes:	
a) Self-sustaining, economically viable communities	
b) Expanded access to government business services	
Program Activity: Special Response Measures	47.5
Sub-Activity Priority Outcomes:	
a) Communities' self-development and alternate employment in areas affected by the closure of resource-based industries or wind-down of large projects	
Program Activity: Infrastructure Programming	<u>48.9</u>
Sub-Activity Priority Outcomes:	
a) Enhanced municipal infrastructure in urban and rural communities	
	218.8
Strategic Outcome Three: Policy, Advocacy and Co-ordination Policies and programs to support and promote growth in the Atlantic economy.	
Program Activity: Policy, Advocacy and Co-ordination	17.7
Priority Outcomes:	
a) Policy and program activities that seek to support and promote improved competitiveness in the Atlantic economy, co-ordinating with departments as appropriate, and advocating Atlantic Canada's interests in national decisions	
Type of Priority: All priorities are ongoing	
2004-2005 Total Associated Resources (includes Corporate Administration)	\$514.1

Details

Strategic Outcome One – Enterprise Development:

Improved growth and competitiveness of Atlantic small and medium-sized enterprises (SMEs), leading to increased productivity, earned incomes and employment opportunities.

Regions are the building blocks of the national economy. Competitive, dynamic regions are needed if Canada is to achieve its economic and social objectives. Improving competitiveness is an important, perhaps the most important, objective for regional economic policy². Competitiveness drives economic growth. Higher living standards and expanded employment opportunities result from a growing and competitive economy.

Competitiveness reflects the degree to which Atlantic Canada can, under fair market conditions, produce goods and services that meet the test of international markets (trade) while simultaneously expanding the real incomes and employment opportunities (such as, tourism) of its citizens. Competitiveness is based on productivity performance and the economy's ability to shift output to high productivity activities that in turn can generate high levels of real wages. The transition within Atlantic Canada to a knowledge-based economy is part of this process. Innovation is a key element in the transition having links to knowledge, education and skills.

ACOA's focus on small and medium-sized enterprises is based on the connection between competitiveness and firm level productivity: that is, competitive firms generate growth and wealth by selling more or increasing the value added of what they sell. Individual firms derive comparative advantage from a range of factors that include the internal organization, entrepreneurial ability, processes of innovation, product development and marketing. Similarly, to enhance the competitiveness of the region and its business enterprises, ACOA pursues a broad range of strategies that involve: innovation; entrepreneurship and business skills development; trade and investment promotion; tourism; and access to capital. It is in these strategic areas that ACOA anticipates outcomes.

² REGIONAL COMPETITIVENESS POLICIES, Interim Synthesis Report, 5th Session of the Working Party on Territorial Policy in Urban Areas, 22 October 2003, Sevilla, Spain.

Access to Capital and Information:

Priority Outcome for Innovation

Development and commercialization of new technologies, increased innovation capacity and growth of strategic sectors/clusters.

<i>Resources:</i> (millions)	<u>2004-2005</u> \$124.8	<u>2005-2006</u> \$134.6	<u>2006-2007</u> \$90.5
Plans, Priorities and Expected Results			
<i>Plans:</i> Increase activity in, and build capacity for, innovation and R&D leading to new technologies, products, processes or services that contribute to economic growth in Atlantic Canada.			
<i>Results/Targets:</i> <ul style="list-style-type: none"> • First-time partnerships for technology development and commercialization - 30 per year. • Strengthened strategic sectors/clusters (e.g. aquaculture, ocean industries, biotechnology, information technology) – four sectors/clusters per year. • Strengthened innovation system linkages through support to strategic technology networks – two per year. • Strengthened technology development that allows resource sectors to increase their competitiveness – two sectors. 			
<i>Plans:</i> Improve SME access to risk-oriented financing for innovation projects, thus increasing the capacity for commercialization of R&D outputs.			
<i>Results/Targets:</i> <ul style="list-style-type: none"> • New innovation projects – 45 per year. • Start-ups of technology-based SMEs – six per year. 			
<i>Plans:</i> Improve the awareness and implementation of commercialization and technology development processes at the SME, academic and institutional levels by developing innovation partnerships and by hosting awareness sessions and commercialization sessions targeting SMEs, government and university research institute participants.			
<i>Results/Targets:</i> <ul style="list-style-type: none"> • Fifteen innovation awareness sessions targeting 180 participants. • Seven advanced innovation sessions. 			
<i>Monitoring:</i> Targeted results are established for clients and assessed through client monitoring.			

More information on innovation and technology may be found on ACOA's Web site at: <http://www.acoa-apeca.gc.ca/e/business/index.shtml>.

Priority Outcome for Entrepreneurship and Business Skills Development

Increased opportunities for Atlantic Canadians to develop the motivation and business skills required to start and successfully grow their own businesses.

<i>Resources:</i> <i>(millions)</i>	<u>2004-2005</u> \$35.4	<u>2005-2006</u> \$37.6	<u>2006-2007</u> \$25.5
Plans, Priorities and Expected Results			
<i>Plans:</i> Increase awareness of entrepreneurship as a career option, particularly among young Atlantic Canadians.			
<i>Results/Targets:</i>			
<ul style="list-style-type: none"> • Encourage entrepreneurship by exposing a minimum of 50% of 15-29 year olds in Atlantic Canada to entrepreneurial role models through use of media, such as television and the Internet. • Deliver leadership and entrepreneurship skills workshops to approximately 700 youth. • Expose more than 200 university students to activities that will help them gain skills in entrepreneurship and other aspects of business management. • Expose approximately 700 junior and senior high school students to a multimedia presentation that promotes entrepreneurial opportunities. • Increase awareness of, and participation in, entrepreneurial opportunities and activities of Aboriginal youth. 			
<i>Plans:</i> Promote life-long learning by supporting opportunities for Atlantic Canadians to learn about entrepreneurship, access business support services, network and share best practices, and improve their business management skills to help them successfully start and grow their businesses.			
<i>Results/Targets:</i>			
<ul style="list-style-type: none"> • Contribute to business survival and growth rates by providing opportunities for at least 1,400 Atlantic Canadians per year to participate in business management skills development workshops, seminars and other similar activities. • Support youth entrepreneurship by assisting 400-500 young people to create small businesses as a means of obtaining summer employment. 			
<i>Plans:</i> Provide enhanced opportunities for Atlantic Canadian entrepreneurs to continue to improve and apply their business management skills, and become more competitive and growth-oriented. This will be achieved mainly through three initiatives: the Innovation Skills Development Initiative (ISDI), the Women in Business Initiative (WBI), and the Young Entrepreneur Development Initiative (YEDI). Activities include business counselling and advisory services, as well as training and professional development opportunities and support.			
<i>Results/Targets:</i>			
<ul style="list-style-type: none"> • ISDI: Assist approximately 200 firms over the three-year period 2003-2004 to 2005-2006 to train existing staff and recruit experts, experienced managers and skilled graduates. • WBI: Assist approximately 1,000 women business owners over the three-year period 2003-2004 to 2005-2006 to strengthen their management capabilities and business development skills. • YEDI: Involve approximately 3,000 young people over the three-year period of 2003-2004 to 2005-2006 in activities and programs designed to develop the attitudes and business skills needed to successfully launch and grow a business. It is anticipated that increased exposure to experiential learning opportunities will lead young entrepreneurs to apply these new skills and knowledge to their own ventures. 			

Monitoring: As has been ACOA’s practice, progress indicators such as business entry and exit rates, and levels of intent to start a business will continue to be tracked. As such indicators are affected by factors beyond ACOA’s direct control, ACOA also will carefully track the results of specific projects. This will include monitoring outputs such as the number of people exposed to promotion and awareness campaigns, the number of people participating in business skills development workshops, and participation levels of young Atlantic Canadians in venturing programs.

More information on entrepreneurship and business skills development may be found on ACOA’s Web site at: <http://www.acoa-apeca.gc.ca/e/business/entrepreneurship.shtml>.

Priority Outcome for Trade

More SMEs exporting, more export-ready SMEs, existing exporters selling more and to diversified markets.

Resources: (millions)	<u>2004-2005</u> \$30.2	<u>2005-2006</u> \$27.1	<u>2006-2007</u> \$24.7
Plans, Priorities and Expected Results			
Plans: Provide regional trade information and support awareness of exporting as a growth option to Atlantic Canadian firms through trade awareness sessions, one-on-one counselling, conferences, seminars, and trade mentoring/coaching programs.			
Results/Targets:			
<ul style="list-style-type: none"> • Assist 400 potential exporters in committing to exporting and meeting basic export readiness/skills. • Assist 60 SMEs in becoming new (first-time) exporters. • Conduct 20 trade mentoring/coaching consultations. 			
Plans: Develop a larger Atlantic Canadian pool of skilled and experienced trade specialists. Facilitate the employment of more qualified trade graduates of Atlantic universities/colleges. This will be achieved through initiatives such as the Export Partnering Program and the Export Internship for Trade Graduates.			
Results/Targets:			
<ul style="list-style-type: none"> • Enable 20 trade graduates to gain practical work experience through internships with firms that are new and/or existing exporters. • Enable 20 students to gain first-hand international trade experience through participation in the development of research and export marketing plans for firms that are new and/or existing exporters. 			
Plans: Promote export development partnerships, consensus and “clusters of capability” in sectors/sub-sectors through the development of selected sector export strategies.			
Results/Targets:			
<ul style="list-style-type: none"> • Engage industry associations in the development and/or implementation of eight sector export strategies. 			
Plans: Initiate and expand export activity in selected international markets through the organization of missions, complemented by dissemination of trade research and sector/market information through seminars and conferences.			
Results/Targets:			
<ul style="list-style-type: none"> • Provide 150 existing exporters with necessary information and skills to expand their export activities. • Assist 60 existing exporters in successfully securing new export markets. 			

Monitoring: Monitoring will include such measures as the number of firms participating in trade awareness sessions and trade mentoring/coaching programs. The tracking of the number of first-time and existing exporters attaining new markets through ACOA-supported projects will be monitored through mechanisms such as the annual International Business Development Agreement (IBDA) survey, the post-Team Canada Atlantic mission survey and the Business Development Programs's first-time exporter's survey.

More information on trade may be found on ACOA's Web site at: <http://www.acoa-apec.ca/e/business/index.shtml>.

Priority Outcome for Investment

Increased Foreign Direct Investment (FDI) in Atlantic Canada.

<i>Resources:</i> <i>(millions)</i>	<u>2004-2005</u> \$8.5	<u>2005-2006</u> \$7.7	<u>2006-2007</u> \$6.6
Plans, Priorities and Expected Results			
<i>Plans:</i> Foreign direct investment intelligence, generation of investment leads, and greater regional investment attraction capacity by strengthening investment partnerships and marketing initiatives.			
<i>Results/Targets:</i> <ul style="list-style-type: none"> • Continuation of pan-Atlantic investment research and enhancement of a competitive intelligence process. • Advocacy and liaison with Investment Partnerships Canada and the departments of Foreign Affairs and International Trade. • Greater co-operation between Industry Canada, the Provinces and ACOA in investment promotion and research through the Pan-Atlantic Investment Co-ordination Committee. • Participation in various conferences and missions (e.g. CoreNet, Team Canada Atlantic, World Investment Summits). 			
<i>Plans:</i> Develop and provide relevant information about the region as an attractive investment site and profile the region as part of investment missions.			
<i>Results/Targets:</i> <ul style="list-style-type: none"> • Engage in joint pan-Atlantic investment activities such as familiarization tours for site selectors/business editors and investment conferences/missions. • Maintain an ACOA investment Web site to provide information for site selectors/corporate investors. • Provide timely intelligence and investment products to industry associations, federal and provincial partners and other FDI stakeholders. • Develop a sector-specific media campaign on the region's cost advantages - advertisements to be placed in targeted U.S. and European business and sector magazines. • Participate in the yearly KPMG Competitive Alternatives Study to include Atlantic Canada cities to demonstrate the cost advantage of doing business in Atlantic Canada as compared to other international locations. • Production of information/awareness materials (e.g. Atlantic Advantage Profile, sector specific e-business CD cards) for distribution to partners and contacts. 			
<i>Monitoring:</i> Progress indicators such as new investment contacts and leads generated by missions, familiarization tours and conferences will be tracked. In addition, the number of contacts reached through mass mail-outs will be noted.			

More information on investment may be found on ACOA's Web site at: <http://www.acoa-apec.ca/e/business/index.shtml>.

Priority Outcome for Tourism

Increased sales, revenue, profitability, investment and wages in the tourism sector resulting from higher quality, in-demand products that operate over longer seasons.

<i>Resources:</i> (millions)	<u>2004-2005</u> \$32.6	<u>2005-2006</u> \$31.0	<u>2006-2007</u> \$29.9
Plans, Priorities and Expected Results			
Plans: Increase investment in, and development of, strategic tourism products, services, experiences and geographic areas by: administering the Bouctouche sustainable tourism communities model and mentoring program to candidate tourism communities; co-ordinating best practice missions that empower tourism operators with the knowledge required to develop in-demand, quality tourism products, services and experiences; and working strategically with sub-sector tourism product groupings.			
Results/Targets:			
<ul style="list-style-type: none"> • Deliver the Bouctouche model to five new tourism communities; provide post workshop mentoring to seven tourism communities; and provide on-line training to 10 community leaders. • Deliver 10 new themed “best practices” missions to be attended by 120 industry and Destination Marketing Organization representatives from Atlantic Canada. • Develop strategic public and private sector partnerships to generate five new streams of high quality, niche tourism products and experiences. 			
Plans: Conversion from traditional, resource-based, consumptive tourism practices to business and communities demonstrating non-consumptive and sustainable tourism practices by: working with federal/provincial partners to develop priority projects; communicating the need to focus on the quality and sustainability of the product; and providing infrastructure assistance to strategic tourism businesses.			
Results/Targets:			
<ul style="list-style-type: none"> • Form strategic partnerships to bring a co-ordinated, federal approach to tourism development in Atlantic Canada. • Host four Tourism Working Group meetings to exchange information and to bring a co-ordinated regional approach to product development, tourism policy and program co-ordination. 			
Plan: Increase tourism-related activity in Atlantic Canada by: forming strategic partnership to bring a co-ordinated, regional approach to marketing the Atlantic region in export markets; developing and marketing new, non-peak season tourism products; and providing leadership in the areas of brand development and brand marketing.			
Results/Targets:			
<ul style="list-style-type: none"> • Atlantic Canada Tourism Partnership project that generates a 10:1 return-on-investment in U.S. markets and a 5:1 return-on-investment in Japan, Germany and the United Kingdom. • 2004 Tourism Atlantic Marketing Initiative (a tourism industry recovery project) that generates a 12:1 return-on-investment in targeted domestic markets. • Participate in Ministerial Task Forces and Working Groups toward the development of a new National Tourism Strategy. • Assist five industry sub-sectors to develop and promote themed, interactive, in-demand, market-ready, peak and non-peak season tourism products and experiences. 			
Plans: More effective use of federal, provincial and private sector financial resources by: informing tourism businesses and lenders about highest productivity tourism products, strategic investment areas and emerging opportunities in tourism; and by forming strategic planning partnerships with federal and provincial governments, industry groups, industry associations, etc.			

<p>Results/Targets:</p> <ul style="list-style-type: none"> • Host five workshops/information sessions attended by private and public sector lenders. • Revise communication strategy directed at disseminating market intelligence to private and public sector partners. • Maintain strategic partnerships with 15 industry groups, associations, etc.
<p>Monitoring: Results are monitored using: internal benefits monitoring; conversion studies; satisfaction surveys; post-project surveys; post-project evaluations; and crisis research.</p>

Priority Outcome for Other Support to SMEs

Employment, new business start-ups and expansion projects as a result of access to capital and information for Atlantic SMEs.

Resources: <i>(millions)</i>	<u>2004-2005</u> \$46.1	<u>2005-2006</u> \$39.0	<u>2006-2007</u> \$38.0
Plans, Priorities and Expected Results			
Plans: Assist SMEs in Atlantic Canada to establish, expand or modernize by providing capital assistance.			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Through the Business Development Program (BDP), invest in approximately 400 Atlantic SMEs annually. 			
Plans: Maintain ACOA's Consulting Advisory Services (CAS) and place more emphasis on counselling/mentoring and skills development/productivity improvements.			
<p>Results/Targets:</p> <p>Enhance financial partners' awareness of ACOA's role in the area of access to capital and information.</p>			
<p>Monitoring: The Agency will continue to monitor client projects for repayment purposes and expected results. An evaluation of the BDP was finalized in April 2003. A major finding of the evaluation found that the BDP has contributed significantly to the establishment, growth and survival of firms in the Atlantic region. Opportunities remain in terms of encouraging the establishment of new businesses, investment in soft cost areas crucial to enhancing innovation and export activity and the availability of conventional financing. As a result of these findings, ACOA formed an Access to Capital Review Committee and developed a series of recommendations that will be reviewed by senior management. A number of these recommendations will be implemented in the next fiscal year.</p>			

More on ACOA Business Information may be found on ACOA's Web site at:
<http://www.acoa-apec.ca/e/business/index.shtml>.

Strategic Outcome Two – Community Development:

Economic opportunities for Atlantic Canada through community economic development.

Community economic development is a key component of the federal regional development strategy. Within this strategic priority, ACOA's focus is to work with regional and local partners, such as the Community Business Development Corporations and the Regional Economic Development Organizations, to build community capacity to create viable opportunities for economic development. Local involvement is a cornerstone of ACOA's community-based economic development strategy. Through its partnerships, ACOA has fostered a co-operative environment in the areas of community enterprise and business development.

While the overall economy of the Atlantic region has fared quite well over the past five years, unemployment and rural depopulation remain significant challenges for Atlantic Canada. ACOA's involvement in community economic development takes place within a framework of priorities and activities that are adapted to local needs and opportunities. Community economic development represents a particularly interesting mix of challenges. While ACOA programming has had a strong focus on rural communities and small towns where development needs are numerous, it also has to recognize the importance of cities in economic development.

Community Economic Development

<i>Resources:</i> <i>(millions)</i>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>
	\$122.4	\$82.8	\$44.2

Priority Outcome for self-sustaining, economically viable communities; supported through the development and implementation of strategic and operational plans.

Plans, Priorities and Expected Results
<p><i>Plans:</i> Strengthen community planning and development through increased use of strategic community planning tools.</p>
<p><i>Results/Targets:</i></p> <ul style="list-style-type: none"> • Achieve a stronger community planning process and economic base by using tools such as the Strategic Community Investment Fund (SCIF), Community Business Development Corporations (41 corporations), Regional Economic Development Organizations (52 organizations) and other federal and provincial partners. • Through the SCIF, continue to help communities plan and implement self-sustaining, viable opportunities for economic development. • In Prince Edward Island, develop three- to five-year strategic plans for the regions served by regional economic development organizations that do not have current plans. • Strengthen the network of community planning and co-ordination organizations through initiatives in training, and strengthen results analysis by working with the recently established Association of Regional Development Authorities in Nova Scotia and the Regional Economic Development Association in Newfoundland and Labrador. • Support the development of communities of interest including Black, Acadian and Aboriginal initiatives in Nova Scotia. • Strengthen the Regional Economic Development Boards in Newfoundland and Labrador by re-examining the funding mechanisms and governmental partnership structures. • Provide resources, strategic information and technical support to community economic development partners for planning purposes at the community level including Regional Economic Development Boards in Newfoundland and Labrador. • Extend 350 loans per year to young entrepreneurs through continued support from the Seed Capital ConneXion Program for Young Entrepreneurs. • In New Brunswick and Newfoundland and Labrador, develop regional work plans reflecting ACOA and community practices supporting inclusive and systematic planning process (target of 15 work plans for New Brunswick).
<p><i>Monitoring:</i></p> <ul style="list-style-type: none"> • A formative evaluation of the SCIF will be conducted to measure the program's results to date. • Measuring the program take-up will be monitored by delivery agents. • A stronger community planning process and economic base will be measured through regional strategic plans, funds levered and the strengthening of partnerships for Atlantic Canada communities.

More information on ACOA's Strategic Community Investment Fund may be found on ACOA's Web site at: <http://www.acoa-apeca.gc.ca/e/financial/SCIF.shtml>.

Priority Outcome for expanded access to government business services; in the areas of financing, counselling and information.

Plans, Priorities and Expected Results
<p>Plans: Expand outreach to potential business clients through the availability of timely and useful information and the provision of assistance to prepare business and project plans.</p>
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Develop new information products/tools and strengthen information networks/partnerships to facilitate broader access to government business information and services for Canada Business Service Centres (CBSCs) through such activities as the integration of electronic on-site libraries, increased use of electronic tools, and by improving the relationship and the capacity of partner sites to answer business questions at home. • Increase awareness of services and tools available at the CBSCs by facilitating access to information to community and business clients, by enhancing the relationship with the network of partners, and by increasing delivery of information on CBSC services and partners to the business community. • In Nova Scotia and in Newfoundland and Labrador, strengthen the network of field offices through better integration with community partners, increased support services, and focus on working with key community clients to implement strategic initiatives in each part of the province. • With community economic development partners, provide 12-month assignment opportunities to approximately 14 young people in New Brunswick in the field of community economic development. • In New Brunswick in 2004-2005, district offices will have worked with 1,000 clients, requiring 5,500 client interventions for the development of projects. Development work will result in a total of 400 applications. • Strengthen the Aboriginal Business Service Network (ABSN) in Atlantic Canada through continued collaboration with the Atlantic ABSN Working Committee, development of Aboriginal-specific information products, and continuation of training and relationship building efforts. • Enhance economic development capacity for New Brunswick Aboriginal communities, economic development officers and Aboriginal youth interns and participate in the development of Aboriginal projects aimed at stimulating economic development in Aboriginal communities.
<p>Plans: Increase the number of loans and dollar amounts of investment in small business to create and maintain jobs and improve the local economy in rural areas.</p>
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Increase the number of counselling sessions, referrals and client contacts provided by CBDCs. • Help create 1,300 new jobs and maintain approximately 2,500 jobs in rural areas by issuing approximately 1,300 new loans per year by the Community Business Development Corporations (CBDCs). • Improved access to financing for at least 400 women entrepreneurs over the three-year period 2003-2004 to 2005-2006 through the Access to Financing component of the Women in Business Initiative delivered by the CBDCs.
<p>Monitoring: CBDCs will continue to provide quarterly and annual reports on their outputs and achievements. New annual work plans will include strategies and activities to respond to the May 2003 Evaluation of the Community Futures Program, as delivered through the Atlantic CBDCs. A copy of the evaluation may be found on ACOA's Web site at: http://www.acoa-apeca.gc.ca/e/library/audit.shtml.</p>

Special Response Measures

Priority Outcome for community self-development and alternate employment in areas affected by the closure of resource based industries or wind-down of large projects.

<i>Resources:</i> (millions)	<u>2004-2005</u> \$47.5	<u>2005-2006</u> \$22.3	<u>2006-2007</u> \$0
Plans, Priorities and Expected Results			
<i>Plans:</i> Facilitate alternate and replacement economic opportunities in communities or areas that experience closure of significant employers or other significant shock to employment by assisting with planning and strategy development.			
<i>Results/Targets:</i>			
<ul style="list-style-type: none"> • ACOA will assist communities affected by the closure of the Northern and Gulf cod stocks through the delivery of the Short Term Adjustment Initiative of the Strategic Community Investment Fund by alleviating the impact of the closure on employment. • ACOA will assist the community of Saint John and the Province of New Brunswick, both affected by the closure of the Saint John Shipyard, through delivery of the Shipyard Redevelopment Program to redevelop the shipyard's principal assets into a site appropriate for other industrial uses and the Industrial Diversification Program to generate other major industrial opportunities in the Province. 			
<i>Monitoring:</i> A formative evaluation of the Strategic Community Investment Fund, including the Short Term Adjustment Initiative, will be conducted to measure the program's results to date.			

More information on Community Business Development Corporations may be found at:
<http://www.cbdc.ca/>.

More information on Canada Business Service Centres may be found at:
<http://www.cbdc.org/>.

Infrastructure Programming

Priority Outcome for enhancement of municipal infrastructure in urban and rural communities

Resources: <i>(millions)</i>	<u>2004-2005</u> \$48.9	<u>2005-2006</u> \$41.5	<u>2006-2007</u> \$0
Plans, Priorities and Expected Results			
Plans: ACOA, in partnership with the provincial and local governments, will deliver the Infrastructure Canada Program (ICP) to help renew and build physical infrastructure in rural and urban municipalities across Atlantic Canada.			
Results/Targets: ACOA will administer the Infrastructure Program Agreement in each Atlantic province by providing one-third of project costs to municipalities and Non-Government Organizations to improve basic infrastructure in the province with a focus on “Green Infrastructure,” including projects that improve the quality of the environment and contribute to national goals of clean air and water. Other program priorities include local transportation, roads and bridges, affordable housing, telecommunications and tourist, cultural and recreational facilities.			
Monitoring: ACOA will monitor individual projects and the program on an ongoing basis to ensure they meet objectives. Audits are performed annually to ensure that public funds are spent judiciously. Two evaluations of the ICP will be conducted to examine the effectiveness and efficiency of program design and delivery – an interim evaluation after the third year, and a full evaluation at the conclusion of the program.			

More information on infrastructure programming may be found in the Horizontal Issues section – Infrastructure Canada, or on the Web site at: <http://www.infrastructure.gc.ca/>.

Strategic Outcome Three – Policy, Advocacy and Co-ordination:

Policies and programs to support and promote growth in the Atlantic economy.

The policy function affects everything ACOA does. Its ongoing research into, and analysis of, issues and trends underpins relevant and effective government action. It seeks to inform and engage ministers, senior management, staff in other government departments, other economic development stakeholders, and the general public. Advocacy and co-ordination complement policy efforts by also engaging other players in discussion of the issues and refinement of positions.

Policy research seeks to promote understanding of issues and build consensus on economic priorities and action. New directions for policy are constantly emerging, signaled by federal policy initiatives, Speeches from the Throne, budget statements, and external sources. ACOA's policy response to these directions defines its effectiveness as an economic development agency for Atlantic Canada. Types of research not only address individual sectors in the Atlantic economy, but also horizontal themes that involve other departments and agencies, which demands co-ordination and partnership.

Policy, Advocacy and Co-ordination

Priority Outcome for Policy, Advocacy and Co-ordination

Through its policy, advocacy and co-ordination role, ACOA will anticipate and undertake research in the critical areas influencing Atlantic Canada, seeking to support increased competitiveness in the regional economy, co-ordinating the development roles of other departments as appropriate, and advocating Atlantic Canada's interests in national decisions.

Resources: <i>(millions)</i>	<u>2004-2005</u> \$17.7	<u>2005-2006</u> \$16.5	<u>2006-2007</u> \$15.8
Plans, Priorities and Expected Results			
<p>Plans: Sponsorship of policy research projects and associated activities, including consultation and engagement with interested parties, while undertaking internal research and analytical exercises targeting strategic priorities and emerging policy areas. A priority will be to integrate the recommendations arising from the February 2004 Speech from the Throne and Budget 2004 in the Agency's policy and program agenda.</p> <p>Corporate research activities for the planning period include further research in support of innovation and commercialization and productivity trends.</p> <p>Outreach activities will include a focus on technology commercialization and adoption and activities on Atlantic Canada's urban issues.</p>			

<p>Results/Targets:</p> <ul style="list-style-type: none"> • Informed policy advice resulting in improved program initiatives and resource allocation. • A broader understanding of ACOA's role in promoting economic development. • Better understanding of the Atlantic economy. • Enhanced capacity for policy research in Atlantic Canada.
<p>Monitoring: Evaluation and assessment studies to improve program design and delivery to provide better results for clients will be conducted.</p>
<p>Plans: Effective defence of Atlantic Canada's interests and promotion of the Atlantic economy by influencing national decisions. Analysis of national policy and program decision-making from an Atlantic Canada economic perspective. Development and co-ordination of complementary positions and activities within ACOA, between federal departments and provincial governments in Atlantic Canada. ACOA will build federal /provincial trade and investment partnerships through participation in Atlantic co-ordination meetings between ACOA, Industry Canada, the four Atlantic Provinces, and industry associations.</p>
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Better understanding of Atlantic Canada's strengths in decision-making at the national level. • National policies and programs that better reflect Atlantic circumstances. • Tangible benefits for Atlantic Canada in national procurement.
<p>Plans: ACOA will co-ordinate its internal policy, advocacy and co-ordination activities and will continue working with federal, provincial and municipal government departments on a variety of files that include tourism, trade, community economic development and innovation. Developing the linkage between economic development and immigration will require new relationships and partnerships. ACOA will continue to co-ordinate specific provincial initiatives such as the Voisey's Bay development.</p>
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Identify areas of joint strategic interest. • Develop common and/or compatible and/or complementary positions on defined issues. • Develop strategic initiatives that reflect commonly held positions on defined issues. • Maximize benefits of major projects in Atlantic Canada.

Corporate Administration Business Line

Efficiently and effectively managed resources and administrative systems and services to support management decision-making, accountability and operational control.

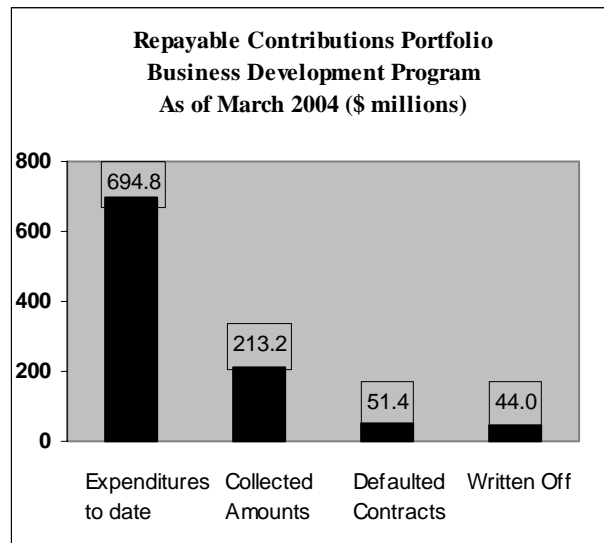
<i>Resources:</i> <i>(millions)</i>	<u>2004-2005</u> \$24.9	<u>2005-2006</u> \$24.8	<u>2006-2007</u> \$24.8
<p>Plans: Continuous improvement in the provision of timely and quality corporate administrative services and in the promotion of sound management practices including modern comptrollership, grants and contributions, contracting accountability and human resources planning.</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Improved awareness and understanding of ACOA's rationale, programs and services among both the general public and the Agency's key stakeholders. • Through the use of Web technology and service transformation, continue to increase the availability of corporate information, integrate program management and finance reporting systems, and prepare key service systems for on-line delivery. • Play a leadership role in the Agency's continuing efforts to attract, retain and develop the best possible workforce for ACOA, fully representative of the population served by the Agency. • Provide information as an aid to decision-making and strategic management and, ultimately, program improvement and organizational learning through fair, reliable, valid and understandable internal audits and evaluations. Information on ACOA's reviews and audits may be found on the Agency's Web site at: http://www.acoa-apeca.gc.ca/e/library/audit.shtml. • Continue to implement the Modern Business Management Initiative action plan and a follow-up assessment to identify areas requiring further attention. More information on modern comptrollership may be found at: http://www.tbs-sct.gc.ca/cmo_mfc/ and on ACOA's Web site at: http://www.acoa-apeca.gc.ca/e/library/reports/mobmi.shtml. 			

Business Development Program Repayable Portfolio

Description

Under the Business Development Program (BDP), ACOA provides interest-free, unsecured loans to small and medium-sized enterprises to help them start-up, expand, improve productivity, develop new markets or undertake other growth-oriented activities. Commercial assistance is repayable over an average repayment term of six to eight years. From inception of the BDP in 1995 until March 2004, the Agency collected \$213.2 million of repayable contributions. The Agency has collected approximately 79% of forecasted scheduled repayment on an annual basis for the past two years. Approximately 13% of those forecasted revenues end up being rescheduled to future years, and approximately 6% represent defaulted contracts and write-offs. The collection of repayable contributions under the BDP is expected to total at least \$50.0 million in 2004-2005.

As at March 2004, the outstanding principal balance of the portfolio was \$314.6 million. Most of these accounts are in good standing and being repaid as agreed. The portfolio is actively monitored in accordance with a well-established risk management framework. The BDP cumulative rate of defaulted contracts and write-offs since 1995 is 13.7% (\$95.4 million of a total \$694.8 million). Over the past three years, the average annual combined default and write-off rate was 3.98% (3.9% as at March 31 in fiscal year 2003-2004). It is anticipated that the Agency will write-off approximately \$16 million in 2004-2005, which represents 5% of the BDP's outstanding loans.



Risk Mix

The planned risk mix for the period 2004-2005 is:

<i>Risk Rating</i>	<i>Current</i>	<i>Anticipated Mix</i>
<i>Low</i>	<i>10%</i>	<i>10%</i>
<i>Low-Medium</i>	<i>31%</i>	<i>25%</i>
<i>Medium</i>	<i>37%</i>	<i>35%</i>
<i>Medium-High</i>	<i>17%</i>	<i>25%</i>
<i>High</i>	<i>5%</i>	<i>5%</i>

More information on repayable contributions may be found on ACOA's Web site at:
<http://www.acoa-apeca.gc.ca/e/financial/repayable/index.shtml>.

Horizontal Issues

Canada Business Service Centres

The Canada Business Service Centres (CBSCs) were established to provide a nation-wide, comprehensive first stop for information on government services, programs and selected regulations. ACOA is one of the Managing Partners and is responsible for defining and implementing operational policies and procedures to ensure that the information needs of Atlantic Canada's small and medium-sized enterprises (SMEs) and potential entrepreneurs are met.

The mission of the CBSCs is to contribute to economic growth in all sectors of the economy by ensuring potential entrepreneurs, SMEs and intermediaries in Atlantic Canada have access to accurate, timely and relevant business information and referrals through a convenient single-window approach and all modes of delivery (i.e. telephone, Internet, walk-in, mail and e-mail). The Atlantic CBSCs will also continue to assess and develop sectoral-focussed information products and services where there is a demonstrated need.

The CBSCs target new and established entrepreneurs looking to start businesses or expand existing operations. The CBSCs have developed partnerships with local business service providers such as community business development corporations and economic development

Expenditure Profile \$ millions			
	2003-2004	2004-2005	2005-2006
Salaries	<u>1.1</u>	<u>1.1</u>	<u>1.1</u>
O&M	<u>1.4</u>	<u>1.5</u>	<u>1.5</u>
Total	2.5	2.6	2.6

agencies to allow for easier and more direct local access to the CBSC information holdings. As a result, the CBSC network has been expanded to 110 existing Atlantic-based intermediaries, including the 41 Aboriginal communities and organizations that are part of the Atlantic Aboriginal Business Service Network. The Atlantic CBSCs will continue to assess the need for new partnerships. Additionally, the Atlantic CBSCs will continue to assess the needs for improvements to its telephony systems and information technology infrastructure to ensure that they have access to the most current and cost-effective tools with which to serve clients.

For more information, please refer to the following Web site: <http://www.cbsc.org/english/>.

Government of Canada's Rural Policy

The Government of Canada's Rural Policy is particularly relevant in Atlantic Canada because a larger proportion of the region's population is based in rural areas than is the case for the nation as a whole. The Agency has been very successful in the establishment of community partnerships, the identification of community economic development needs, and the use of its programming flexibility in addressing these needs.

It is important for ACOA to continue its support of the Government of Canada's Rural Policy Initiative through its programs and community economic development activities. The Agency has funded a significant number of projects in rural communities through its Strategic Community Investment Fund and Business Development Program, and will continue to support rural development through these programs. The Government of Canada has mandated the Rural Secretariat of Agriculture and Agri-Food Canada to lead a national, co-ordinated, cross-government initiative - the Canadian Rural Partnership - to develop a federal policy framework to address rural issues. ACOA will continue to support the rural policy initiative through activities, such as chairing the rural teams in each of the Atlantic provinces, as well as supporting other Atlantic Rural Team activities.

- Rural Team Newfoundland and Labrador will concentrate on building the Rural Team in 2004 and continue to identify common rural research priorities. The team will assist rural communities by identifying opportunities for partnership and collaboration among government departments and will examine the possibility of a rural dialogue with Aboriginal groups on the island portion of Newfoundland and Labrador.
- The Prince Edward Island Rural Team will continue a horizontal partnership approach to support the needs of rural PEI. The team has identified a number of priority activities including: an evaluation of the pilot membership with the PEI Federal Council; dialogues to engage rural citizens, including Aboriginals; support of rural youth activities; and assistance to the volunteer sector through skills development.
- The Nova Scotia Rural Team will provide input on rural issues through dialogue with rural citizens ensuring youth, persons with disabilities, and African-Nova Scotians are included in this process. It will support the understanding and application of various models of successful rural development, in particular, an initiative focussed on youth involvement and action.
- Rural Team New Brunswick will continue its important role in creating a venue for information sharing, dialogue and co-ordination between federal and provincial government departments and agencies that work with Rural New Brunswick. In 2004-2005, the team will continue its contribution to horizontal issues such as immigration and youth.

Aboriginal Economic Development

The responsibility for Aboriginal economic development is shared with other federal government departments such as Indian and Northern Affairs Canada, Fisheries and Oceans Canada, Industry Canada, and Human Resources and Skills Development Canada. ACOA continues to make progress at identifying increased opportunities for Aboriginal economic development and in developing a more co-ordinated and consistent team-like approach, both internally and in partnership with other federal departments sharing the mandate. However, ACOA does not have programs specifically targeted to Aboriginal applicants. In most cases, existing programs have sufficient flexibility to accommodate Aboriginal development initiatives. The Agency has the ability not only to invest in Aboriginal businesses and communities, but to invest in those priority areas identified by Aboriginal business owners themselves: development of management skills; improvements in productivity; expansion of markets; innovation; and financing. The Agency will work toward improving and strengthening its internal co-ordination mechanisms and will participate in federal co-ordination improvement efforts.

ACOA has implemented the Aboriginal Business Service Network (ABSN) in 41 of the 42 planned sites: 31 reserves; 6 Innu, Inuit and Métis communities in Labrador; 3 Native Friendship Centres; and one with Ulnooweg Development Group Inc. (UDG), Atlantic Canada's only Aboriginal Capital Corporation. One additional community in Newfoundland and Labrador will join the network soon. In partnership with the Atlantic Canada ABSN Working Committee and UDG, ACOA has provided a public access computer and related peripheral equipment, a small library (business start-up topics), computer literacy training and training on CBSC services. Over the next 12 to 18 months, efforts will be expended to renew the infrastructure and identify any opportunities to expand and improve the service initiative.

In Nova Scotia, the Nova Scotia Tripartite Economic Development Committee, established under the broader Tripartite Forum to enhance the economic sustainability of First Nations in the Province, continues to address the Aboriginal economic development challenges within Nova Scotia. The committee has proven to be an effective forum for dialogue on issues and building partnerships to enhance Aboriginal economic development.

In Newfoundland and Labrador, ACOA contributes to the co-ordination of federal efforts on the Voisey's Bay initiative to promote Aboriginal economic development opportunities. An interdepartmental committee has been established in this regard.

In New Brunswick, ACOA co-chairs the Joint Economic Development Initiative (JEDI), a tripartite process implemented by Aboriginal communities and the federal and provincial governments to identify and encourage projects aimed at stimulating economic development in Aboriginal communities. Participants of JEDI include: senior officials from a number of provincial and federal departments; Chief of First Nation communities; leaders of provincial Aboriginal organizations; Economic Development Officers from Aboriginal communities; and interested Aboriginal individuals. All participants are

committed to enhancing economic development within Aboriginal communities, both on and off reserves. Through this process, policy actions and funding partners were identified to encourage capacity building, education, and training initiatives to develop the skills essential for individual and community self-reliance, as well as the economic development of New Brunswick's Aboriginal population. Some initiatives in the last year include representing New Brunswick on the 2003 Council for the Advancement of Native Development Officers Conference Committee, facilitating a workshop on International Trade for Aboriginal Community Economic Development officers and holding workshops on Aboriginal employment issues.

Atlantic Canada Tourism Partnership

Initiative Profile

The Atlantic Canada Tourism Partnership (ACTP) was established in 1991 to promote the entire Atlantic region as a tourism destination in targeted markets. The tourism industry is recognized as a high-growth sector in Atlantic Canada and, for the last 12 years, ACOA has worked with provincial and industry partners to maximize the economic growth and job creation of the sector.

ACTP is a nine-member pan-Atlantic partnership comprising the Atlantic Canada Opportunities Agency (ACOA), the four provincial tourism industry associations, and the provincial departments responsible for tourism in New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island.

To continue to make inroads for Atlantic Canada in key international markets and bolster the region's tourism industry, the ACTP launched its fourth consecutive international tourism marketing initiative. The current three-year project (2004 to 2006), valued at \$19.95 million, is supporting research-driven consumer marketing campaigns to attract more visitors to Atlantic Canada from key markets in the United States and overseas.

The ACTP initiatives are:

- United States Marketing Initiative – to effect greater tourism returns from the New England market; and
- Overseas Marketing Initiative – to pursue the United Kingdom, German and Japanese markets through integrated marketing techniques.

Partnering Efforts			
<p>The cost sharing for this partnership is 50% (\$9.9 million: ACOA), 30% (\$6.0 million: the Provinces) and 20% (\$4.0 million: Industry Associations). ACOA and the Provinces' contributions are in the form of cash contributions. Industry contributions include in-kind and other case investments in relation to partnership-related activities, for example, trade registrations.</p>			
Partners	Planned Spending (\$ millions)		
	2003-2004	2004-2005	2005-2006
Federal Departments/Agencies			
Atlantic Canada Opportunities Agency	\$3.3	\$3.3	\$3.3
Provincial Governments			
Province of New Brunswick – Business New Brunswick and the Department of Tourism and Parks	\$0.7	\$0.7	\$0.7
Province Of Nova Scotia – Department of Tourism and Culture	\$0.7	\$0.7	\$0.7
Province of Prince Edward Island – Fisheries and Tourism	\$0.3	\$0.3	\$0.3
Province of Newfoundland and Labrador – Department of Tourism, Culture and Recreation	\$0.3	\$0.3	\$0.3
Private Sector Organizations			
Total Tourism Industry Associations (TIA) (Hospitality Newfoundland and Labrador/ TIANS/TIANB/TIAPEI)	\$1.3	\$1.3	\$1.3
Total	\$6.6	\$6.6	\$6.6
Roles, Responsibilities and Governance Structures			
<p>The activities of the ACTP are managed by a Management Committee comprising two members from ACOA, the four provincial Deputy Minister's responsible for tourism, and the four Tourism Industry Association Presidents. The Management Committee is responsible for the administration and management of the Agreement, approving work plans and budgets, evaluating program activities and overseeing the work of its working committees. The working committees, established by the Management Committee are staffed by federal, provincial and industry members, and are responsible to carry out and execute the ACTP initiatives. A Secretariat oversees the day-to-day operations of the partnership ensuring that matters are administered in accordance with the terms of the agreement.</p>			

Shared Outcome(s)			
<p>The goal of the ACTP exemplifies the strategic outcome for ACOA's Tourism priority of increasing revenues, profits, investment and wages in the tourism sector.</p> <p>The ACTP's outcome: To grow Atlantic Canada's tourism revenues from targeted American markets and to maintain Atlantic Canada's share of overnight tourism to Canada from targeted overseas markets.</p> <ul style="list-style-type: none"> • Promote regional co-operation (Federal / Provincial / Industry). • Promote incremental marketing activities. • Achieve economies of scale in marketing • Raise awareness of Atlantic Canada as a "top-of-mind" destination. • Increase tourism arrivals and tourism revenues for the four Atlantic Provinces. 			
Key Programs, Resources and Results			
Results			
Evaluations of ACTP completed in 2001, 2002 and again in 2003, found that ACTP successfully achieved its objectives. The co-ordinated promotion of tourism in Atlantic Canada resulted in a return of investment of approximately 9:1 (for every \$1 of media purchased, \$9 was spent in tourism). Since 1994, the ACTP has generated 662,000 tourism-related information requests that resulted in 159,000 visitor parties who spent \$173.2 million while vacationing in Atlantic Canada.			
US Marketing Initiative			
Measurement Indicators	Planned Results		
2003-2004 to 2005-2006	2003-2004	2004-2005	2005-2006
Return on Investment - measurable tourism revenues generated per dollar invested in the marketing/media campaign	\$4.4 million	\$4.4 million	\$4.4 million
Number of information requests directly related to the project	\$10 to \$1	\$10 to \$1	\$10 to \$1
Number of visitor parties directly related to the project	120,000	130,000	140,000
Dollar amount of annual visitor spending on goods and services directly related to the project	30,000	32,000	35,000
	\$40.0 million	\$41.0 million	\$45.0 million
Overseas Marketing Initiative			
Measurement Indicators	Planned Results		
2003-2004 to 2005-2006	2003-2004	2004-2005	2005-2006
Return on Investment – measurable tourism revenues generated per dollar invested in the marketing/media campaign	\$0.63 million	\$0.63 million	\$0.63 million
Number of visitor parties directly related to the project	\$5 to \$1	\$5 to \$1	\$5 to \$1
Dollar amount of annual visitor spending on goods and services directly related to the project	80,000	85,000	90,000
	\$92.0 million	\$96.0 million	\$100.0 million
Contact			
Rob McCloskey, Director General, TOURISM ATLANTIC, Atlantic Canada Opportunities Agency Telephone: (902) 626-2479 E-mail: rmcclosk@acoa-apeca.gc.ca			

International Business Development Agreement

Initiative Profile			
<p>The Canada/Atlantic Provinces Co-operation Agreement on International Business Development (IBDA) is a co-operative effort between the federal government and the four Atlantic Provinces whose objective is to provide a forum for the co-ordination of international export activities on a pan-Atlantic scale and to combine limited federal and provincial resources dedicated to export development activities. Its main objectives are to increase the number of new exporters and the number of new markets for existing exporters. Funding is shared 70/30 by the federal and provincial agreements.</p> <p>The agreement expired in March 2004, however, negotiations are underway with the Provinces for a four-year extension.</p>			
Partnering Efforts			
Partners	Planned Spending (\$ millions)		
	2004-2005	2005-2006	2006-2007
Federal Departments/Agencies			
Atlantic Canada Opportunities Agency (70%)	\$1.4	\$1.4	\$1.4
Department of Foreign Affairs and International Trade			
Industry Canada			
Provincial and Territorial Governments (30%)			
Business New Brunswick	\$0.22	\$0.22	\$0.22
Nova Scotia Business Inc.	\$0.22	\$0.22	\$0.22
Newfoundland and Labrador Industry, Trade and Rural Development	\$0.10	\$0.10	\$0.10
Prince Edward Island Business Development Inc.	\$0.06	\$0.06	\$0.06
Total	\$2.0	\$2.0	\$2.0
Roles, Responsibilities and Governance Structures			
<p>The Atlantic Canada Opportunities Agency is the lead organization for this initiative and houses the Secretariat responsible for administering the Agreement. A Management Committee made up of a representative from each of the partners is responsible for the planning and management of the Agreement's programs and evaluation of projects.</p>			
Shared Outcome(s)			
<p>The shared outcomes for the IBDA support ACOA's priority outcome for Trade.</p> <p>IBDA outcomes:</p> <ul style="list-style-type: none"> • To engage more Atlantic SMEs in exporting, i.e. increase the number of new exporters. • To increase the value of sales for existing exporters. • To diversify the markets of existing exporters. 			

Key Programs, Resources and Results

Results: Since the Agreement’s inception, the Agency and its partners have administered over 140 projects involving some 2,500 Atlantic Canadians companies. The IBDA has assisted:

- 153 companies to begin exporting;
- 256 exporters to increase their export sales; and
- 185 exporters to expand their export markets.

Key Programs	Measurement Indicators	Planned Results
	2004-2005 to 2006-2007	2004-2005 to 2006-2007
1. Training and Awareness \$250,000/year	1. a) Number of companies that are export-ready; b) number of companies reporting that training helped them make first-time sales; and c) number of companies that have an increased knowledge of their target markets.	1. a) Increased company capabilities and likelihood of success in target markets; and b) increased/first-time sales by participants.
2. Planning and Research \$200,000/year	2. a) Number of pan-Atlantic proposals in each program area; b) degree to which proposals reflect pre-proposal discussions; and c) use of findings in project design.	2. a) Enhanced Atlantic co-ordination in international business development; b) increased/first-time sales by participants; and c) more first-time exporters in targeted sectors/markets.
3. Market Information and Intelligence (MII) \$200,000/year	3. a) Extent of reported use of MII by companies; b) extent of follow-up requested by Posts (consulates or embassys); and c) new business activities with targeted Posts.	3. a) Companies better able to access market information and intelligence; and b) first-time sales by participants.
4. International Business Development \$1,200,000/year	4. a) Number of companies reporting increased sales to current markets; b) number of companies reporting sales to new markets; c) number of success stories and information inquiries; and d) new export models tested to new sector markets.	4. a) Increased/first-time sales by participants; b) and increased first-time exporters.
5. Communications/ Administration \$100,000/year		

Contact

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Trade and Investment
Atlantic Canada Opportunities Agency
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More information on the IBDA is available at:
<http://www.acoa-apeca.gc.ca/e/ibda/index.shtml>.

Team Canada Atlantic

Team Canada Atlantic (TCA) is a partnership designed to help Atlantic Canadian businesses to reach their full potential as international exporters and trading partners. The TCA partners include:

<i>Federal Partners</i>	<i>Provincial Partners</i>
<ul style="list-style-type: none">➤ Atlantic Canada Opportunities Agency➤ Agriculture and Agri-Food Canada➤ Department of International Trade➤ Industry Canada	<ul style="list-style-type: none">➤ Business New Brunswick➤ Newfoundland and Labrador Department of Industry, Trade and Rural Development➤ Nova Scotia Business Inc.➤ Prince Edward Island Business Development

Since its inception, eight TCA trade missions to Boston, Atlanta, New York and Washington have generated more than 2,200 business-to-business meetings between Atlantic Canadian firms and American companies. Overall, mission participants have reported immediate sales of approximately \$21 million, and projected sales of more than \$112 million as a result of the trade missions. Additionally, Atlantic businesses have signed over 450 new agreements with agents, distributors and/or partners as a result of their participation on these missions.

TCA missions are pan-Atlantic, multi-sector and primarily market the United States and other selected strategic markets. The TCA missions are focussed on the SMEs in Atlantic Canada and are intended to assist the SMEs to increase exports, while increasing foreign direct investment in the region. The mission objectives are to: increase export readiness for Atlantic Canadian SMEs; develop new business partnerships/alliances between Atlantic Canadian SMEs and companies in target markets; increase export sales by Atlantic Canadian SMEs to selected markets; provide profiles of the exporters and the Atlantic region; promote Atlantic Canada as a profitable place to do business; and enhance pan-Atlantic co-operation in trade.

The TCA Secretariat, responsible for the overall co-ordination and implementation of TCA missions, is housed at ACOA Head Office in Moncton, New Brunswick, and reports operationally to the Director General of Trade and Investment at ACOA.

Funding for the TCA missions is provided by ACOA under its Atlantic Trade and Investment Partnership (75%) and the four Atlantic provincial governments and participating companies (25%).

For more information, see the Web site at:

<http://www.teamcanadaatlantic.ca/>.

Infrastructure Canada

The \$2.05-billion Infrastructure Canada Program (ICP) was created in 2000 to enhance municipal infrastructure in urban and rural communities across the country, and to improve Canada's quality of life through investments that protect the environment and support long-term economic growth.

ICP Delivery Agents

- Western Economic Diversification
- Industry Canada
- Canada Economic Development for Regions of Quebec
- Atlantic Canada Opportunities Agency

The Minister of Industry and Minister responsible for Infrastructure, supported by the new department of Infrastructure Canada (<http://www.infrastructurecanada.gc.ca>), have been assigned responsibility for the overall management of this program.

In most cases, the Government of Canada matches the provincial and territorial contributions, and provides up to one-third of the cost of infrastructure projects. The program's first priority is green municipal infrastructure, i.e. projects that improve the quality of the environment and contribute to Canada's goal of clean air and clean water.

The Canada Strategic Infrastructure Fund (CSIF), announced in Budget 2001, provided \$2 billion to address the need for cost-sharing large, strategic-based infrastructure projects that do not overlap areas covered by existing infrastructure programs. Projects under this program are: the harbour clean-ups in Halifax, Nova Scotia, and St. John's, Newfoundland and Labrador; waste treatment plant upgrades in Charlottetown and Summerside, Prince Edward Island; and a central water system in Stratford, Prince Edward Island. New Brunswick has dedicated its entire allocation to highway twinning. A Memorandum of Understanding between Infrastructure Canada and regional agencies is being developed.

Budget 2003 announced a \$2-billion enhancement to CSIF and the establishment of a \$1-billion Municipal Rural Infrastructure Fund. All categories under the original CSIF will remain in effect with particular attention on: water quality and access; trade corridors; connectivity; sustainable urban growth and northern infrastructure. Budget 2004 commits to accelerating the Municipal Rural Infrastructure Fund resources to flow over five years instead of ten years.

More information on infrastructure may be found under Strategic Outcome Two – Infrastructure Programming or on the Treasury Board Secretariat Web site at http://publiservice.tbs-sct.gc.ca/rma/eppi-ibdrp/hr-rh_e.asp.

Canadian Agriculture and Food International Program

Within the International Strategy of the Agricultural Policy Framework (APF), the Canadian Agriculture and Food International Program (CAFI) provides funds for branding and market development initiatives to industry associations and commodity groups.

CAFI is a cost-shared contribution program designed to support Canadian agri-food industry activities in areas of branding and market development, trade advocacy and technical marketing. The objective of the CAFI program is to support industry action to deliver on a comprehensive national strategy to gain and expand international recognition and enhance market opportunities for Canadian agriculture and food products.

The program is designed to support industry in building long-term strategies that will position them for success in key markets and respond to increasing consumer demands and global competition. It helps industry improve access to global markets for Canadian agricultural and seafood products and services, and strengthens the sector's capacity to market products abroad.

Funding for the program is provided by Agriculture and Agri-food Canada. ACOA is a voting member on the Strategy Steering Committee and acts as a proponent for products sourced from Atlantic Canada. The Committee approves funding allocation to long-term development strategies and provides recommendations on policies that impact across teams and/or programs.

For more information on CAFI, see the Web site at:

http://www.agr.gc.ca/int/cafi-picaa/index_e.php?page=intro.

More information on horizontal initiatives is available at the following Web site:

<http://www.tbs-sct.gc.ca>.

Government Themes and Management Issues

Government On-Line

The Government of Canada is committed to being the government most connected to its citizens and is working to provide Canadians with access to key government information and services on-line by 2005. The goal of the Government On-Line (GOL) multi-year initiative is to use information and communications technology to provide Canadians with enhanced access to improved citizen-centred, integrated services, anytime, anywhere, and in the official language of their choice. GOL will complement traditional ways of delivering government services to Canadians – in person, by mail and by phone.

ACOA has been preparing for GOL since it was announced in the October 1999 Speech from the Throne. Over the next three years, Service Transformation, including the use of Web technology with data encryption and electronic signature, will continue.

1. Grants and Contributions Funding

Clients, partners and stakeholders will be capable of the following interactive activities under the Agency's Development business line:

- application for funding (Atlantic Innovation Fund pilot completed);
- ability to submit claims for reimbursement;
- electronic repayment of loan; and
- ability to monitor key aspects of project information from start to finish.

2. Information Sharing and Exchange

ACOA will improve communications and exchange of information with its clients and partners for things such as:

- on-line Access to Information (available since Spring 2002);
- essential business information relevant to ACOA's services with clients and stakeholders; and
- development of partner managed Web sites for the delivery of community-based information. Current examples include Federal Councils in Prince Edward Island and Newfoundland and Labrador, as well as Trade Team Atlantic.

More information on GOL may be found at ACOA's Web site at: <http://www.acoa-apeca.gc.ca/e/library/parliament.shtml>.

Sustainable Development

For the Atlantic Canada Opportunities Agency, sustainable development in Atlantic Canada means maintaining a strong, growing and sustainable economy while protecting the environment and the well-being of Atlantic Canadians. ACOA's Sustainable Development Strategy (SDS) III focusses on initiatives that contribute to sustainable businesses and communities in Atlantic Canada. These initiatives include: support to sustainable tourism, environmental industries and associations, research and

development, and infrastructure; promotion of best practices; and increasing awareness of communities, businesses and Atlantic youth. SDS III also demonstrates a clear link between ACOA's strategic priorities and its sustainable development strategy. Issues facing the region, as identified in ACOA's Sustainable Development Strategy II and III, include natural resource depletion, pollution and physical degradation of land, as well as issues related to climate change. ACOA projects are subject to screening under the *Environmental Assessment Act* to minimize any risk to the environment.

Concurrently, there are increasing opportunities for businesses that wish to join Atlantic Canada's growing environmental industries sector. The Atlantic Innovation Fund (AIF) is making strategic investments in leading-edge research and development that directly contributes to the development of technology-based economic activity, including the environmental industries sector. Under the AIF, the Agency's investment in projects with a direct environmental element is \$39.8 million toward a total investment of \$82.3 million.

Recent research has shown that there exists a strong perception among potential entrepreneurs that operating a profitable business and protecting the environment are incompatible. However, it has been shown that there are many benefits, financial and other, which an entrepreneur can derive from creating and operating an environmentally friendly enterprise. To help set the record straight, the Agency is distributing a handbook that promotes an understanding of how environmental issues and responsibilities are being supported through entrepreneurship and entrepreneurs in Atlantic Canada. In addition, all new applicants for ACOA funding receive a generic fact sheet to help them identify ways in which they can become eco-efficient.

Outcomes, Activities and Expected Results	
Strategic Outcome: To work with environmental industries and associations to strengthen the sector and increase export of products and services from the environmental industries sector.	
Key Activities: Support under Business Development Program and International Business Development Agreement.	Planned Results: Increase in number of initiatives and activities that support environmental industries.
Strategic Outcome: To undertake strategic investment in sustainable tourism businesses, associations and communities to strengthen best practices with respect to the environment.	
Key Activities: Support to attend workshops and training sessions and receive consultant follow-up on sustainable tourism.	Planned Results: Increase in number of sustainable tourism businesses.
Strategic Outcome: Opportunities to collaborate with public and private organizations on common sustainable development goals and objectives.	
Key Activities: Work in partnership with other federal departments on climate change initiatives that contribute to economic development in the region.	Planned Results: Partnerships created within the public and private sectors to work on common initiatives.
Strategic Outcome: Contribute to improving water and sewer infrastructure through Infrastructure Canada Program.	
Key Activities: Work in partnership with provincial and municipal governments and other delivery agencies to support infrastructure projects.	Planned Results: Increase in number of communities with adequate infrastructure to improve the quality of life for citizens, reduce pollution and attract businesses.

Strategic Outcome: Increase awareness of SD principles and practices in entrepreneurship education and skills development directed toward Atlantic youth.	
Key Activities: Projects directed to youth to link sustainable development to entrepreneurship.	Planned Results: To increase the number of Atlantic youth who will consider the environment in their business plans as well as opportunities in environmental industries sector.

More information on ACOA's Sustainable Development Strategy may be found at ACOA's Web site at: <http://www.acoa-apeca.gc.ca/e/sustain/index.shtml>.

Federal Regional Councils

Federal Regional Councils comprise a network of senior officials committed to the betterment of program and service delivery to Canadians in all regions of the country. Government priorities such as human resources renewal, official languages, Aboriginal dialogue, homelessness, service delivery modernization, innovation, policy and increased capacity in regional co-ordination constitute the essence of Councils' business.

ACOA Vice-Presidents chair and play a key co-ordinating role in each province. Currently, the Vice-President for ACOA New Brunswick occupies the National Chair of the Federal Councils.

Some of the specific initiatives underway or planned are:

- The New Brunswick Federal Council will continue to provide support to the Joint Economic Development Initiative, a tripartite partnership between the Aboriginal communities of New Brunswick, the Government of Canada and the Province of New Brunswick. It will also help carry out initiatives on official languages and play a leadership role on the human resource renewal and emergency responsiveness files through its role as national Chair of Councils.
- The Nova Scotia Federal Council will support federal institutions to implement the various aspects of the *Human Resources Modernization Act* and the Values and Ethics Code, and will continue to carry forward with the priorities of the Clerk of the Privy Council.
- The Prince Edward Island Federal Council is implementing a Shared Learning Centre, including a virtual learning component to be carried out on the Council's Web site. The Council will also implement internal and community-based official languages initiatives, develop and undertake human resources training sessions in order to implement changes resulting from the *Public Service Modernization Act*, and initiate improvements to government communications.
- The Newfoundland and Labrador Federal Council is leading the Partners for French project. This project is intended to enable the federal public service in Newfoundland and Labrador to meet official language goals, to offer high-quality

bilingual service to the minority Francophone community, and to ensure effective and timely communication of Government of Canada programs and services in French by well-trained employees. The Council is also committed to employee development at all levels. It supports the Options program, including interdepartmental assignments and mentorship. It supports the Public Sector Leadership and Management Development Program, in partnership with Memorial University of Newfoundland's Executive MBA Program. It also supports the Management Assessment Centre. The Newfoundland and Labrador Federal Council supports the Government On-Line's Outreach program. Three students have been hired to promote the Government of Canada's on-line services across the province using a portable display and Community Access sites.

Organisation for Economic Co-operation and Development (OECD) Territorial Development Policy Committee

As the Canadian delegate on the Territorial Development Policy Committee (TDPC), ACOA is participating in the development of the Committee's new mandate, and co-ordinating the input of other federal agencies and departments in the proposed directions for the 2005 – 2009 time period. A high-level meeting of OECD member countries was held in June 2003 to assess progress and decide on the future orientation of the Committee. Main conclusions were that drivers of national competitiveness have become more local; policy must increasingly consist of a soft network of regional competitiveness policies; and, regional policies involve overcoming sectoral, vertical and horizontal administrative barriers.

New direction, discussed at the November 2003 meeting of the Committee will make the TDPC the principal international forum for policy dialogue, exchange of experience and good practices in regional policy and multi-level governance. The new mandate will also incorporate changes recommended in the reform proposed by then-consultant to the OECD, Mr. Peter Nicholson, which are meant to facilitate more modern management practices and increase transparency and accountability.

During the last fiscal year, the TDPC undertook a review of Metropolitan Montreal at the request of the Chamber of Commerce of Metropolitan Montreal (CCMM) and the Communauté métropolitaine de Montréal (CMM). Federal financial support was provided by Canada Economic Development for Quebec. As Canada's delegate on the Territorial Development Policy Committee, ACOA provides the liaison between the interested parties and the TDPC Secretariat. The draft of the study was presented to OECD member countries in November 2003, and the was released in February 2004.

Modern Comptrollership

Through its Modern Business Management Initiative, ACOA has embraced Treasury Board's modern comptrollership initiative. Under the leadership of the President, the Agency is implementing its action plan, which focusses on ten priority areas emanating from its Capacity Assessment. In 2004-2005, the Agency will begin the process of:

implementing an integrated planning process and performance reporting; implementing an action plan to build on its management competencies; formalizing ACOA's Risk Management Framework; bringing forward recommendations to increase and maintain a transparent reporting environment, both internally and externally; implement a service improvement plan and service delivery standards; and developing a common set of financial management reports. The Agency continues to strive at being a workplace of choice.

The Agency will conduct a follow-up assessment in mid 2004-2005 to determine the extent of improved management practices and to identify areas requiring attention. Detailed information on the Agency's Capacity Assessment and action plan can be found on its Web site: <http://www.acoa-apeca.gc.ca/e/library/reports/MOBMI.shtml>.

Section 41 of the *Official Languages Act*

At the national level, the Atlantic Canada Opportunities Agency continues to participate in the National Committee for Canadian Francophonie Human Resources Development and the National Committee of Co-ordinators responsible for the implementation of Section 41 of the *Official Languages Act*. Since 2003, the Agency has participated in the Deputy Ministers' Committee on Official Languages with the Privy Council Office, and on the Citizenship and Immigration Canada-Francophone Minority Communities Steering Committee.

The Agency will continue to work with the Co-ordinating Group on Economic Development and Employability/*Regroupement de Développement Économique et d'employabilité* in each of the Atlantic provinces. In addition to the regular contacts it maintains with organizations representing Francophones in the four Atlantic Provinces and the assistance it provides for their activities, the Agency works with the four Francophone economic development organizations.

In the Atlantic region, the Agency is active in the Official Languages Sub-Committee of each of the Federal Councils of the four Atlantic provinces. It also helps various Francophone organizations in the region to stimulate and drive economic development in their communities. The Agency also works with the Francophone communities to ensure their needs are an integral part of ACOA's research in economic development and entrepreneurship.

To support the economic development of the Acadian and Francophone communities in the Atlantic region, ACOA has concluded two partnership agreements with the Department of Canadian Heritage. Like many other federal agencies, ACOA is part of the Interdepartmental Partnership with the Official Language Communities (IPOLC), under which the two parties share the costs of funding innovative, strategic and sustainable activities in the communities.

The Atlantic Canada Cultural and Economic Partnership, an initiative of the Agency and the Department of Canadian Heritage, has a budget of \$10 million. Funded equally by the two signatories, this Partnership seeks to stimulate economic development through

culture and facilitate the organization of activities to celebrate the 400th anniversary of the arrival of the first European settlers in North America in 1604. There are many activities scheduled for 2004, including the third Acadian World Congress, the highlight of the festivities in Nova Scotia.

ACOA will continue to oversee contributions awarded to Francophone groups by regional economic development organizations and local business development corporations. The Agency also wants to ensure Francophone representation on the boards of these funding organizations and the provision of services in both official languages at Canada Business Service Centres throughout the four Atlantic provinces.

Citizen-centred Service Delivery

The Agency continues to be a strong supporter of the five-year service improvement initiative, approved by Treasury Board, and has recently conducted its second corporate client survey using the Government of Canada's Common Measuring Tool (CMT). The survey results/analysis are expected in the last quarter of 2003-2004. This survey will again examine satisfaction levels and importance of service, and identify critical barriers and areas or priorities for improvement .

A Service Improvement Plan will be formalized to address client priorities as well as other client observations.

The Agency continues to be active in the development of client-driven service standards for commercial projects submitted under the Business Development Program (BDP) and non-commercial projects submitted under the Strategic Community Investment Fund (SCIF) program. The tracking of documents for the development of standards for both programs is ongoing, and it is expected that standards for both the BDP commercial projects and the SCIF program will be available by mid 2004-2005.

In terms of business process improvement, the Agency will complete process mapping for non-commercial projects under the BDP and other core programming activities such as the Canada Business Service Centres. Process mapping entails the documentation and schematic presentation to fully comprehend the process involved in providing products and services to external clients.

ACOA's Review Services Division (RSD) and Performance Measurement

ACOA has made reporting, accountability, transparency and protecting public interests the cornerstones of its results-based management approach to program planning, monitoring, audit and evaluation.

In response to government-wide initiatives such as Government On-Line and Modern Comptrollership, ACOA has launched its own initiatives (e.g. Service Transformation and Modern Business Management) to continually improve the quality of interaction, reporting, accountability and transparency between the Agency, its clients and the general public. These initiatives will enable Canadians to request and receive services and information when and where it is most convenient for them, regardless of where they live.

Guidance on reporting, accountability, transparency, and protecting the public interest with regard to the Agency's programs is an integral part of ACOA's Review Policy. The Policy recognizes the value of the role of the Agency's RSD in providing independent, objective and evidence-based information on the results of ACOA's activities. The Policy also recognizes that a quality review function requires the effort of Agency managers who have a responsibility for demonstrating performance and acting on performance information. ACOA's Review Policy also serves as a framework for conducting audits and evaluations and protecting the public interest by focussing on process (e.g., how audits and evaluations are conducted) and reporting on results achieved using public funds. More information on the Agency's Review Policy can be found at ACOA's Web site at:

<http://www.acoa-apeca.gc.ca/e/library/audit/reviewpolicy.shtml>.

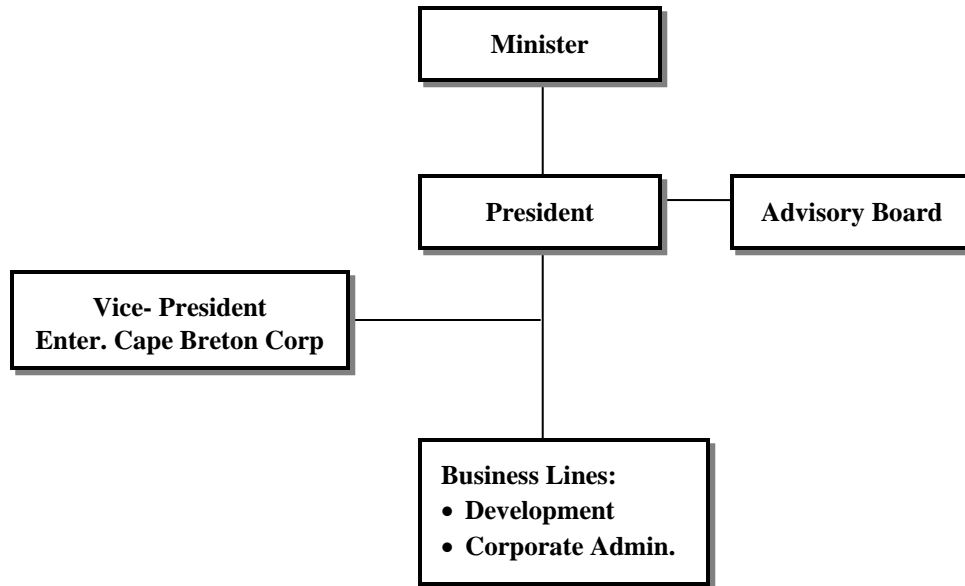
With respect to acting on performance information provided by RSD, ACOA program management is in the process of addressing recommendations arising from recent audits and evaluations of the Agency's core Business Development Program (BDP) and agreements and relations with the Community Business Development Corporations. Action plans are being developed and will be implemented in the coming year.

In response to a request from the Agency's Review Committee, RSD and program management have initiated a study on the non-commercial (business support) portion of ACOA's BDP. The purpose of the study is to propose a strategy for collecting benefits information that will provide an optimal balance between project level and program level information, and to establish a framework whereby the benefits of business support can be evaluated relative to the BDP's commercial activities. A parallel study is also underway to address the Auditor General's recommendation that the Agency "develop and implement alternative methods of measuring the impact of its non-commercial projects."

The Agency's Review Committee, comprising the President, Vice-Presidents at Head Office and in the Regions, and other senior managers, meets regularly to plan, review and revise the Agency's three-year rolling Review Plan. This plan essentially details all audits, evaluations and reviews to be undertaken over a three-year period in order to provide timely, relevant strategic information for use by Agency managers, Treasury Board, and the government. Details on ACOA's Review Plan for fiscal year 2004-2005 may be found in the Annex.

Section V – Organization

A. Organizational Structure



More information on people in charge and the organizational structure of ACOA may be found at: <http://www.acoa-apeca.gc.ca/e/about/people.shtml>.

B. Accountability

Minister: The Honourable Joseph McGuire is responsible for ACOA.

President: Ms. Monique Collette is responsible for the Development and Corporate Administration business lines, and reports to the Minister of ACOA. The President of ACOA is also, ex-officio, the President of Enterprise Cape Breton Corporation (ECBC), as well as its Chair of the Board and Chief Executive Officer.

C. Departmental Organization

ACOA's mandate and organizational structure were determined following consultations with Atlantic Canadians across the region. The result was, for the first time, a federal organization charged with regional economic development in Atlantic Canada is headquartered in the region with 36 regional and field offices in cities and towns across

the four Atlantic provinces. Consequently, ACOA's funding and policy decisions are made by and for Atlantic Canadians.

Regional Vice-Presidents are responsible for the delivery of ACOA programs. Based in Sydney, Nova Scotia, the Vice-President of ECBC is responsible for delivering most of ACOA's programs on Cape Breton Island. In Ottawa, an ACOA office advocates the interests of Atlantic Canadians in the development of national policies and programs, including the interests of the region's entrepreneurs related to federal procurement.

ACOA's legislation provided for the creation of an ACOA Advisory Board. This Board is comprised of the ACOA President, as Chair, and seven other members representing all Atlantic provinces. Board members are appointed by the Governor in Council on the recommendation of the Minister of ACOA.

D. Program Composition

ACOA's program is divided into main activities or business lines: Development and Corporate Administration. The majority of ACOA's efforts toward the delivery of its plans are accounted for under Development. The objective of the Development business line is to support and promote the economic development in Atlantic Canada, with particular emphasis on small and medium-sized enterprises, and advocate the interests of Atlantic Canada in national economic policy, program and project development. The Corporate Administration business line isolates the administrative functions of the Agency from the direct program-related business of the organization. The function of Corporate Administration is to provide sound management practices in the delivery of the Development business line.

Development Business Line

Net Planned Spending and Full-Time Equivalent (FTEs):

Forecast Spending 2003-2004		Planned Spending 2004-2005		Planned Spending 2005-2006		Planned Spending 2006-2007	
\$ millions	FTEs	\$ millions	FTEs	\$ millions	FTEs	\$ millions	FTEs
421.2	509	489.2	507	415.3	507	250.4	507

Corporate Administration Business Line

Net Planned Spending and Full-Time Equivalent (FTEs):

Forecast Spending 2003-2004		Planned Spending 2004-2005		Planned Spending 2005-2006		Planned Spending 2006-2007	
\$ millions	FTEs	\$ millions	FTEs	\$ millions	FTEs	\$ millions	FTEs
24.2	140	24.9	140	24.8	140	24.8	140

E. Strategic Outcomes and Business Lines

The following table demonstrates the resource relationship between the Strategic Outcomes and Business Lines for the 2004-2005 planning year.

Planning Year 2004-2005 (\$ millions)			
Business Lines:	Develop- ment	Corporate Admin.	Total
Strategic Outcome One: Enterprise Development			
Program Activity: Access to Capital and Information			
<i>Sub-Program Activities:</i>			
<i>Innovation</i>	117.5	7.3	124.8
<i>Entrepreneurship and Business Skills Development</i>	33.4	2.0	35.4
<i>Trade</i>	28.4	1.8	30.2
<i>Investment</i>	8.0	0.5	8.5
<i>Tourism</i>	30.7	1.9	32.6
<i>Other support to SMEs</i>	43.4	2.7	46.1
<i>Sub-Total</i>	261.4	16.2	277.6
Strategic Outcome Two: Community Development			
Program Activity: Community Economic Development			
<i>Sub-Program Activities:</i>			
<i>Community Economic Development</i>	114.7	7.7	122.4
<i>Special Response Measures</i>	47.5	0	47.5
<i>Infrastructure Programming</i>	48.9	0	48.9
<i>Sub-Total</i>	211.1	7.7	218.8
Strategic Outcome Three: Policy, Advocacy and Co-ordination			
Program Activity: Policy, Advocacy and Co-ordination			
<i>Sub-Program Activity:</i>			
<i>Policy, Advocacy and Co-ordination</i>	16.7	1.0	17.7
<i>Sub-Total</i>	16.7	1.0	17.7
Total Programming	489.2	24.9	514.1

F. Agency Planned Spending

(\$ millions)	Forecast Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006	Planned Spending 2006-2007
Development	418.2	489.2	415.3	250.4
Corporate Administration	21.0	24.9	24.8	24.8
Total Main Estimates	439.2	514.1	440.1	275.2
Adjustments:				
▪ Adjustment to operating less funds available	5.4			
▪ Payments of claims under the <i>Small Business Loans Act</i>	0.2			
▪ Payments of claims under the <i>Canadian Small Business Financing Act</i>	1.0			
▪ Payments of claims pursuant to the <i>Government Organization Act, Atlantic Canada, 1987</i>	(0.4)			
Total Adjustments	6.2			
Net Planned Spending*	445.4	514.1	440.1	275.2
Less: Non-responsible revenue	(64.6)	(59.0)	(59.0)	(59.0)
Plus: Cost of services received without charge	6.7	6.7	6.7	6.7
Net Cost of Program	387.5	461.8	387.8	222.9
Full-Time Equivalents	649	647	647	647

* Net Planned Spending reflects forecast expenditures for 2003-2004 and funds currently approved in the government fiscal plan for fiscal years 2004-2005 to 2006-2007. A reduction of \$203.6 million is expected over the three-year planning period. The Agency is committed in following government policies and priorities set out in the Speech from the Throne.

G. Resources by Responsibility

2004-2005 Resources by Responsibility Area (\$ millions)						
Business Line	Regions	Policy and Programs	Human Resources	Finance and Corporate Services	All Other*	Total
Development 507 of FTEs	449.4	38.2	0.3	1.3		489.2
Corporate Administration 140 of FTEs	5.3	1.0	1.3	14.5	2.8	24.9
Total Planned 647 of FTEs	454.7	39.2	1.6	15.8	2.8	514.1

*Other: Legal Services, President's Office, Minister's Office, and Advisory Board

ANNEX

The following tables may be accessed from the ACOA Web site:
<http://www.acoa-apeca.gc.ca/e/library/parliament.shtml#mainestimes>.

Table 1: Summary of Transfer Payments

Table 2: Details of Transfer Payments Programs

Table 3: Non-respendable Revenue

Table 4: External Charging

Table 5: Net Cost of Program – 2004-2005 Estimates

Table 6: 2004-2005 Review Plan – Audits and Evaluations

More information on ACOA's Programs and a full list of the Agency publications may be obtained from the ACOA Web site <http://www.acoa-apeca.gc.ca> or upon request from:

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ACOA Head Office
Blue Cross Centre
644 Main Street, P.O. Box 6051
Moncton, New Brunswick E1C 9J8

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