

Atlantic Canada Opportunities Agency

**1997-98
Estimates**

A Report on Plans and Priorities

Pilot Document

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Section I
Minister and Secretary of State's Messages

The Minister's Message

The Industry Portfolio
Building Jobs and Growth through Partnerships and Innovation

The Atlantic Canada Opportunities Agency (ACOA) is a member of the Industry Portfolio. It has a broad mandate for economic development in Atlantic Canada to increase the number of jobs and earned income for Atlantic Canadians. Because new employment is the direct result of business growth, particularly among small- and medium-sized enterprises (SMEs), ACOA seeks to provide people with the encouragement, advice and access to information, capital and technology they need to start and expand their own businesses. The Agency brings to the Industry Portfolio an established service delivery organization that works collaboratively with other portfolio members on key issues of trade, youth and technology to support private-sector innovation and sustainable job creation. Because of its extensive private/public sector network which includes the governments of the four Atlantic provinces and a large client base, ACOA has an in-depth knowledge of Atlantic Canada.

Through the coordinated efforts of its member organizations, the Industry Portfolio is playing a vital role in helping to improve economic growth, and employment and income prospects for Canadians. The Industry Portfolio brings together the key departments and agencies responsible for science and technology, regional development, marketplace services and micro-economic policy. In doing so, the Government of Canada has created a new capacity for partnership and innovation, both within the Portfolio itself and externally, with the private sector and other stakeholders.

As Minister responsible for the Industry Portfolio, I am focussing the Portfolio's activities to help Canadians move confidently into the 21st century. Through the Portfolio, I am working to ensure that our businesses and industries have the best tools and the right conditions to innovate, grow, compete and generate jobs.

The technology-driven global economy which has emerged in the 1990s holds much promise, as well as many challenges. To maintain traditional strengths and markets while building new ones, Canadians must innovate. We have to develop and

The Industry Portfolio Is ...

- Atlantic Canada Opportunities Agency
- Business Development Bank of Canada
- Canadian Space Agency
- Competition Tribunal
- Copyright Board of Canada
- Federal Office of Regional Development (Quebec)
- Industry Canada
- National Research Council of Canada
- Natural Sciences and Engineering Research Council of Canada
- Social Sciences and Humanities Research Council of Canada
- Statistics Canada
- Standards Council of Canada
- Western Economic Diversification

use leading edge technologies and skills needed in the knowledge-based economy. We need to increase the abilities of our firms and industries to export. We must also enlarge Canada's share of international investment. And we must work to ensure all Canadians, especially our youth, are able to participate fully in the new economy. To achieve these goals, business, governments and individual Canadians have to work together, in partnership.

The Industry Portfolio is playing its part by focussing on three areas of activity -- each crucial for our economic success, now and into the next century:

- promoting innovation through science and technology
- assisting business to grow by providing information, advice and financing support
- ensuring a fair, efficient and competitive marketplace.

Innovation is the key to success in the global economy. Creative thinking and adopting new technologies and processes keep traditional industries competitive while launching new industries for emerging and expanding markets. The Industry Portfolio is taking a new, risk-sharing approach to investing in technology through partnerships with the private sector. We are also making strategic investments to expand Canada's intellectual resources and advance knowledge.

The Portfolio assists Canadian businesses to increase their competitive advantage and their capacity to expand. Our actions are particularly directed at strengthening the backbone of Canada's economy -- small and medium-sized enterprises.

The Industry Portfolio has a vital role to ensure an open and efficient marketplace by setting clear and fair "rules of the game." In this way, we are supporting business activity while protecting consumer and investor interests.

Through its wide range of activities, the Industry Portfolio is contributing to economic growth, increased employment and higher living standards for Canadians in every region, both today and into the new century.

John Manley
Minister of Industry

The Secretary of State's Message

The legislated mandate of the Atlantic Canada Opportunities Agency (ACOA) 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*”.

Because new employment is the direct result of business growth, particularly among small and medium-sized enterprises (SMEs), ACOA seeks to provide people with the encouragement, advice and access to information, capital and technology they need to start and expand their own businesses.

The Agency brings to the Industry Portfolio an established service delivery organization that works collaboratively with other Portfolio members on key issues of SMEs, trade, youth and technology to support private sector innovation and sustainable job creation. ACOA has an extensive private/public sector network, which includes the governments of the four Atlantic provinces, a large client base and in-depth knowledge of Atlantic Canada.

Through its extensive private/public sector network, including provincial Regional Development Commissions and locally based development organizations, the Community Business Development Corporations located throughout Atlantic Canada, as well as ACOA's and other Industry Portfolio offices, the government is well equipped to provide services to Atlantic Canadians whether they reside in rural or urban areas.

In addition to its core mandate and programs, the Agency will continue to call upon its experienced employees and its long-standing working relationship with the provinces to deliver on government priorities. These include: the Canada Infrastructure Works Program; economic adjustment measures such as the Canada/Newfoundland Economic Renewal Agreement; the Canada/New Brunswick Agreement on the Closure of Canadian Forces Base Chatham and Redevelopment of the Miramichi area; and community economic development measures in Cape Breton.

ACOA is committed to help enhance the vitality and support the development of the English and French linguistic minority communities and to foster the full recognition and use of both English and French in Canadian society as expressed in Section 41 of Part VII of the *Official Languages Act*. The Agency has developed an action plan for 1996-98 which demonstrates how it will carry out its obligations to the Francophone communities in Atlantic Canada and its implementation will become an integral part of the Agency's accountability framework.

The Honourable Lawrence MacAulay, P.C., M.P.
Secretary of State (Atlantic Canada
Opportunities Agency)

Section II Plans and Priorities


A. Summary of Key Plans, Priorities and Strategies

Over the next three years ACOA's plans continue to focus on the strategic priorities and service lines outlined in Section III, Part A. These plans are designed to help small and medium-sized enterprises in the region create new and lasting jobs. This commitment is consistent with the Government's Jobs and Growth Agenda supporting greater productivity; international competitiveness and employment opportunities within the nation's SME sector. The Agency will also be working with its portfolio partners on areas such as youth and technology to support private-sector innovation, trade and sustainable job creation. What follows are the highlights of the major plans to be undertaken over the next three years and the results which are expected:

Atlantic Canada Opportunities Agency has a budget of \$308.9 million for 1997-98	
to help provide Atlantic Canadians with:	to be demonstrated by:
<i>Jobs and increases in earned income through</i>	
<p>✎ Greater Access to Capital for 3,000 small- and medium-sized enterprises (SMEs) through the Business Development Program (BDP).</p>	<p>✓ Jobs created or maintained by SMEs over a three-year period.</p> <p>✓ An increase in sales.</p>
<p>✎ Simplified and effective mode of access to government business services.</p>	<p>✓ An increased access to the Canada Business Service Centre (CBSC) information base through a network of intermediaries such as community-based development corporations using Internet.</p>
<p>✎ Communications initiatives leading to greater awareness of the economic benefits of entrepreneurship and small business formation.</p>	<p>✓ An increase in the number of SMEs and an "intent" to start a business by 1998 of 17% among Atlantic Canadians.</p>
<p>✎ SME financing in rural areas through the Community Business Development Corporations (CBDCs).</p>	<p>✓ Jobs created and maintained by SMEs in rural areas.</p>

to help provide Atlantic Canadians with:	to be demonstrated by:
<p>✎ Coordinated federal-provincial economic development activities in each of the four Atlantic provinces on:</p> <ul style="list-style-type: none"> - Community economic development; - Entrepreneurship development; - Export development and import substitution; and - Strategic infrastructure. 	<ul style="list-style-type: none"> ✓ Jobs created and maintained. ✓ A reduction in the cost of government operations. ✓ Increases in earned income. ✓ Increases in sales/export sales. ✓ Increases in new businesses.
<p>✎ Advocacy for Atlantic Canada on issues which affect the opportunities for economic development in the region.</p>	<ul style="list-style-type: none"> ✓ Atlantic Canada concerns factored into national policy and program development. ✓ Regionally sensitive decision making.
<p>✎ Promotion of regional companies access to major contracts.</p>	<ul style="list-style-type: none"> ✓ Increases in business opportunities prospecting. ✓ Increases in the number of jobs created by increasing the Atlantic region's participation on major federal contracts. ✓ Increases in Atlantic plant tours, facility inspection, company visits and information seminars by prime contractors.
<p>✎ Assistance in communities affected by the closure of the Atlantic groundfish fishery.</p>	<ul style="list-style-type: none"> ✓ Jobs to be created and maintained for the period 1997-2000. ✓ A leveraging of development project investments. ✓ Long-term employment opportunities for displaced fishers and fish plant workers.
<p>✎ New jobs and economic activity in communities affected by:</p> <ol style="list-style-type: none"> 1) Canadian Forces Base closures; and 2) The termination of the ferry service between Borden, Prince Edward Island and Cape Tormentine, New Brunswick. 	<ul style="list-style-type: none"> ✓ Jobs to be created and maintained.

to help provide Atlantic Canadians with:	to be demonstrated by:
<p>✍ Course offerings in Entrepreneurship for students at each level of the school system.</p>	<ul style="list-style-type: none"> ✓ Partnerships with departments of Education. ✓ Every student in every grade level with the opportunity to be exposed to the entrepreneurship curriculum within the next five years.
<p>✍ For young entrepreneurs:</p> <p>Financial training and counselling programs, role models and mentors.</p>	<ul style="list-style-type: none"> ✓ 750 new businesses and ensuing jobs over the period 1997-2000.
<p>✍ Quality of business counselling/advisory services.</p>	<ul style="list-style-type: none"> ✓ Increased enrolment in the Institute of Small Business Counsellors Incorporated certification program.
<p>✍ Entrepreneurship training for women.</p>	<ul style="list-style-type: none"> ✓ 750 business start-ups and jobs, including new jobs from expansion training with 450 women-owned firms.
<p>✍ Increased awareness and use of Business Management Practices (BMP) by SMEs.</p>	<ul style="list-style-type: none"> ✓ Increased numbers of ACOA clients who have implemented or re-engineered their management process. ✓ Increase number of Atlantic International Standards Organization (ISO) certification to 100 by December 1997.
<p>✍ Increase development and commercialization of new or improved products and processes, and technology diffusion.</p>	<ul style="list-style-type: none"> ✓ A minimum of three international and 15 domestic new research-private sector partnerships established in 1997-98.
<p>✍ An expansion and growth of the Atlantic tourism industry.</p>	<ul style="list-style-type: none"> ✓ Increased tourism revenues, a return on investment of \$10 per dollar of marketing campaign investment and \$26 million from the 1997 campaign.
<p>✍ Training and mentoring in the skills required to export.</p>	<ul style="list-style-type: none"> ✓ A minimum of 80 potential exporters trained in 1997-98, contributing to an overall goal of 400 by the year 2000. ✓ A 5% to 7% increase in the number of Atlantic SME exporters over the next three years.

to help provide Atlantic Canadians with:	to be demonstrated by:
<p> Improvements in the Agency’s electronic connectivity with clients, provincial governments and partner organizations.</p>	<p>✓ More timely and better information, reduced paper burden.</p>

B. Departmental Overview

1. Roles, Responsibilities and Mission:

Mission: To foster, in a strategic partnership with the people of Atlantic Canada, the long-term economic development of the region through the renewal of the Atlantic entrepreneurial spirit.

The Agency derives its mandate 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*. The Act provides ACOA with a broad mandate for economic development in Atlantic Canada to help increase the number of jobs and earned income for Atlantic Canadians.

To fulfill its mandate, ACOA pursues two distinct goals:

- a) *to ensure that a wide variety of business development tools and resources serve the diverse needs of the region's emerging and existing entrepreneurs; and*
- b) *to ensure that all economic development programs and activities in Atlantic Canada are coordinated and designed to improve the climate for business growth generally.*

Since January 1996, ACOA has operated within the Industry Portfolio, which includes 13 departments and agencies that report through the Minister of Industry to Parliament. Its mandate, mission, objectives, priorities and services reflect the federal government's national *Jobs and Growth* agenda to enhance:

- small- and medium-sized business development;
- trade and foreign investment;
- technology and innovation; and
- employment opportunities for young people.

As a result, ACOA is the Atlantic region's main contact for federal government programs, services and policies.

The Portfolio relies on the individual strengths and capabilities of its members, including ACOA, which offers an extensive network, experienced personnel and a client base exceeding 10,000. At the same time, the Portfolio brings certain advantages to ACOA, positioning it to better carry out its coordination activities and supporting its mandate.

The foundation of the Portfolio approach is a commitment by its members to effective cooperation and partnerships, a concept which is central to how ACOA addresses the needs and opportunities of Atlantic Canadian SMEs. ACOA's approach to economic development has been based on the partnerships it has forged with the business community, (especially the SMEs), the provinces, other government departments and agencies, and various public and private sector economic development organizations.

2. **Organization and Program Composition:**

Activity Structure: ACOA's program is divided into two main activities or business lines: Development and Corporate Administration. The majority of ACOA's efforts towards the attainment of its objectives are accounted for under Development. The Corporate Administration business line isolates the administrative functions of the Agency from the direct program-related business of the organization.

Development: Support and promote opportunities for economic development in Atlantic Canada, with particular emphasis on SMEs, through planning, research analysis policy, program and project development and implementation and through advocating the interests of Atlantic Canada in national economic policy, program and project development and implementation.

Corporate Administration: Ensure that ACOA's resources are efficiently and effectively managed and that administrative systems and services are in place to enhance management decision making, managerial accountability and operational control.

Organization Structure: ACOA's Head Office is in Moncton, New Brunswick. Head Office components are the Minister's office, the Secretary of State's office, the President's and the Executive Vice-President's offices, Programs and Development, Finance and Corporate Affairs, and Human Resources.

In each capital of the Atlantic provinces, regional Vice-Presidents are responsible for the delivery of ACOA programs. In Sydney, Nova Scotia, the Vice-President of Enterprise Cape Breton Corporation (ECBC) is responsible for delivering ACOA programs in Cape Breton. Each Vice-President is equipped with Ministerial delegated authorities to approve most projects and proposals.

Through its Ottawa office, also headed by a Vice-President, ACOA advocates the interests of Atlantic Canadians in the development of national policies and programs, including the interest of the region's entrepreneurs related to federal procurement and carries out research related to economic development.

ACOA legislation provides for an ACOA Advisory Board. The Board currently has eight members who represent all areas in Atlantic Canada. The President of ACOA is Chairperson.

The President of ACOA is also President of the ECBC. ECBC is a Crown Corporation established by legislation to promote and assist the financing and development of industry on Cape Breton Island to provide employment outside the coal-producing industry and to broaden the base of the economy of Cape Breton Island.

The organization chart, in Figure 1, page 14, illustrates the relationship between ACOA's organization structure and the Activity structure.

3. Corporate Objectives, Priorities and Strategies:

The Agency's objective as identified in its legislation 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*".

Because new employment is the direct result of business growth particularly among SMEs, ACOA seeks to provide people with the encouragement, advice, access to capital and information, and technology they need to start and expand their own businesses. Over the last 10 years, 90% of all new jobs were created by SMEs and more than 60% from new start-ups.

- **Strategic Priorities:**

ACOA's overall approach is guided by the strategic priorities of:

- Access to Capital and Information
- Business Management Practices
- Entrepreneurship Development
- Innovation and Technology
- Tourism
- Trade

- **Service Lines:**

ACOA links its strategic priorities to its clients through programs or service lines which are grouped as core and non-core activities.

Core Activities

Advocacy, Coordination and Procurement: ACOA's advocacy of Atlantic Canada has been reinforced by the Agency's membership in the Industry Portfolio. The advocacy function is also advanced through the corporate procurement strategy which brings more government contracts and industrial benefits to the Atlantic region.

Business Development Program (BDP): The BDP is designed to help SMEs establish, expand or modernize by offering access to capital in the form of interest-free, unsecured repayable contributions. It has a focus on those intangible projects critical to competitiveness, often not considered bankable by conventional lenders.

Canada Business Service Centres (CBSCs): CBSCs, located in all four Atlantic provinces, provide business-related services and products to SMEs and aspiring entrepreneurs.

Communications: To help promote favourable economic change in Atlantic Canada by providing communication services that directly support and enhance the program and development activities of the Agency.

Community-Based Economic Development (CBED): CBED is a grass-roots action by members of a community to improve their economic conditions. Government can help by making its own resources more accessible and by forging links and partnerships among private and public sector stakeholders.

COOPERATION Program: COOPERATION Agreements are comprehensive, federal-provincial, cost-shared initiatives designed to improve the environment for economic growth.

Non-Core Activities

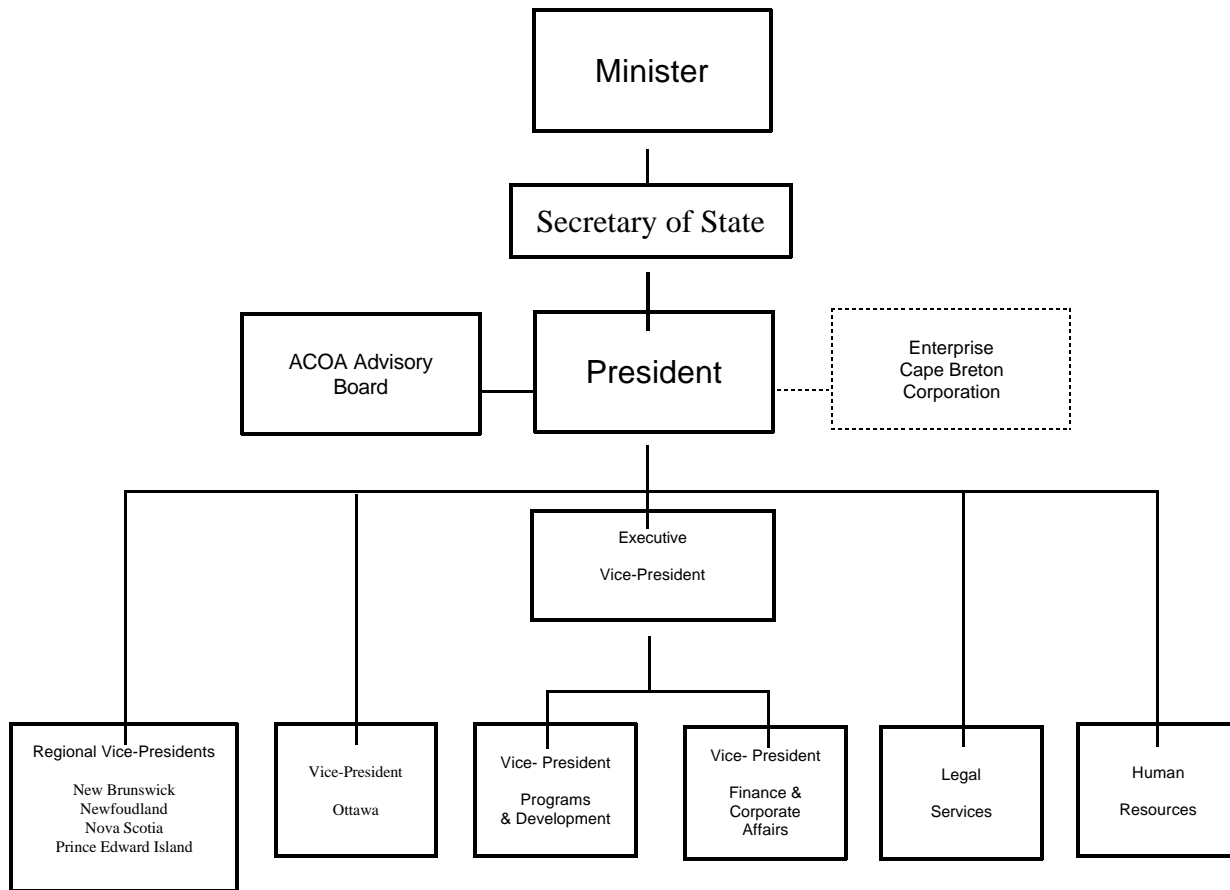
ACOA undertakes activities which do not constitute core service lines but are, nonetheless, vital to the general economic health of the region. Some of these include:

- The Atlantic Groundfish Strategy (TAGS), assisting communities in leveraging development project investments and in developing long-term employment opportunities for displaced fishers and fish plant workers.
- Base closure adjustment activities, generating economic diversification and new employment.
- Borden-Cape Tormentine redevelopment programs, generating new employment.
- Canada Infrastructure Works Program (CIWP), generating short- and long-term employment.

Figure 2, page 15, provides an outline of the linkage between strategic priorities and service lines to the Agency's mandated objective.

4. Resource Plans and Financial Tables

Figure 1: Relationship of the 1997-98 Organization to Business Lines



Business Line	Regional Vice-Presidents	Vice-President Ottawa	Vice-President Programs & Development	Vice President Finance & Corporate Affairs	Legal Services	Human Resources	Program Total
Development 278 FTEs	279.1	3.8	11.9	3.1		0.4	298.3
Corporate Administration 95 FTEs	2.6	0.1	0.1	6.9	0.3	0.6	10.6
Total	281.7	3.9	12.0	10.0	0.3	1.0	308.9

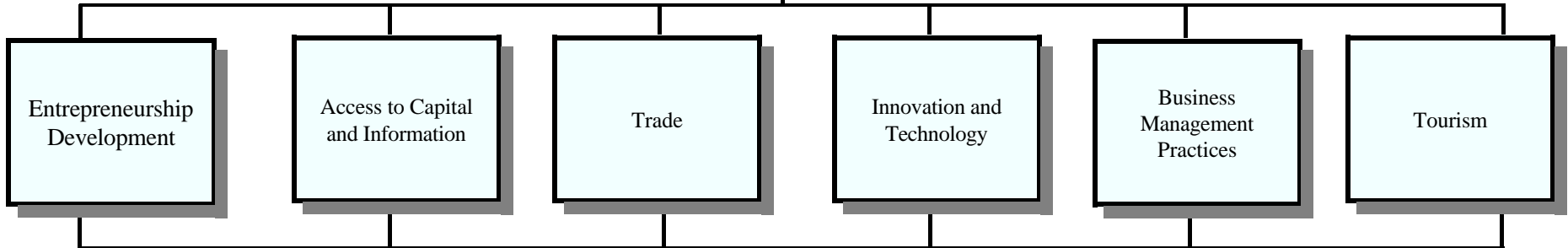
(millions of dollars)

Figure 2: Relationship Between Strategic Priorities, Service Lines and Agency Objectives

Legislated Mandate:

“To increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned income and employment opportunities in that region”
 The Government Organization Act, Atlantic Canada 1987, Part I, Section 4

Strategic Priorities:



Service Lines:

Core	Non-Core
<ul style="list-style-type: none"> - Advocacy, Coordination and Procurement - Business Development Program - Canada Business Service Centres - Communications - Community-Based Economic Development - COOPERATION Program 	<ul style="list-style-type: none"> - Adjustment - The Atlantic Groundfish Strategy - Base Closures - Borden Cape-Tormentine Redevelopment - Canada Infrastructure Works Program

Figure 3: Departmental Overview

Departmental Overview				
Gross Estimates (millions of dollars)	Planned Expenditures 1996-97	Planned Expenditures 1997-98	Planned Expenditures 1998-99	Planned Expenditures 1999-00
Net Planned Expenditures	352.1	308.9	283.0	290.3
Less:				
Revenue Credited to the Consolidated Revenue Fund	18.1	28.5	41.2	55.0
Plus:				
Estimated Cost of Services Provided by other Departments	3.3	3.4	3.4	3.4
Net Cost of the Department	337.3	283.8	245.2	238.7

Figure 4: Net Cost of the Program by Business Line

Net Cost of the Program by Business Line						
(millions of dollars)	Budgetary					Net
	FTEs	Operating	Grants and Contributions	Gross Voted	Statutory Payments	Planned Expenditures
<u>Development</u>						
<i>Core Programming</i>						
Business Development Program		11.0	104.2	115.2	0.9	116.1
Canada Business Service Centres		2.2		2.2	0.2	2.4
Liabilities in Atlantic Canada under the Small Business Loan Act					4.5	4.5
Liabilities for loan or credit insurance pursuant to the Government Organization Act, Atlantic Canada, 1987					10.0	10.0
Sub-Total		13.2	104.2	117.4	15.6	133.0
Federal - Provincial COOPERATION Program		4.8	73.3	78.1	0.6	78.7
Community-Based Economic Development		0.4	8.5	8.9		8.9
Advocacy and Coordination		3.0		3.0	0.4	3.4
<i>Total Core Programming</i>		21.4	186.0	207.4	16.6	224.0
<i>Non-Core Programming</i>						
Adjustment Programs		1.3	55.1	56.4	0.2	56.6
Canada Infrastructure Works Program		0.3	8.7	9.0		9.0
Program Administration		8.1		8.1	0.6	8.7
<i>Total Non Core Programming</i>		9.7	63.8	73.5	0.8	74.3
<u>Total Development</u>	278	31.1	249.8	280.9	17.4	298.3
<u>Corporate Administration</u>	95	9.9		9.9	0.7	10.6
Total Agency	373	41.0	249.8	290.8	18.1	308.9
Other Revenues and Expenditures						
Revenue credited to the Consolidated Fund						(28.5)
Estimated Cost of services by other Departments						3.4
Net cost of the Department						283.8

C. External Factors Influencing the Program

1. Economic Outlook

The Atlantic economy is expected to be somewhat stronger in 1997, with Real Gross Domestic Product (GDP) forecast to increase by 1.4%. This rate of growth will still be below the forecast national rate of 2.6%. Economic growth will be supported by increased output in the mining sector and a rebound in the demand for forest products. Output in the goods-producing industries is expected to expand by 2.3%. Continued weakness in public sector activity will restrict growth in the service-producing industries to 1.1%. Employment is forecast to increase by 1.6%, compared with a 2.4% increase for Canada. For 1998, economic growth is forecast to be 2.7%, slightly higher than the national rate of 2.5%. Strong growth in the Newfoundland economy, fuelled by production from both Hibernia and the construction of the Voisey's Bay mine, is responsible for the region out-performing the national economy. In terms of job creation, employment growth in the region is expected to be below the national rate (2% vs. 2.5%).

2. Government Policy Framework

The current federal economic and fiscal policy framework established the fundamentals of the *Jobs and Growth* agenda: jobs; value of the community; encouraging entrepreneurs; creating and fairly distributing wealth; innovation; export orientation; and efficient government. In addition to establishing a two-track fiscal policy linking a drive for jobs and growth with a comprehensive approach to controlling debt and deficits, the government policy framework stressed partnerships with all sectors of society as a means of leveraging limited federal resources and addressing partners' real needs.

The government is committed to the notion of strong regional economies as the building blocks of Canada, an approach to be supported by encouraging the use of region-wide initiatives with the federal government as a partner with the provinces, focusing on cooperation in provincial economic plans and priorities. As well, it recognized the essential role of SMEs in job creation, with attendant requirements for innovation, Research and Development (R&D), education and training, community economic development and availability of venture capital.

The linkage between these policy directions and ACOA's mandate and objectives is clear.

More recent federal policy statements maintain the focus on fostering a positive climate for jobs and economic growth and place particular emphasis on youth, technology, and trade -- creating opportunities for youth, adopting a coordinated, strategic approach to the management of government's support for science and technology, and continuing to work to enhance export development and foreign investment.

The policy frameworks of the Atlantic provincial governments echo the federal government's, with their emphasis on economic growth, balanced budgets, streamlined operations, and federal-provincial partnerships. Nation-wide collaborative work on the GST/PST harmonization and labour market agreements mirror and positively influence ACOA's partnerships with the Atlantic provinces in areas such as promoting and supporting entrepreneurship, providing capital to entrepreneurs, redefining community economic development zones and providing support to

business through co-located service centres. Such initiatives also contribute to the federal government's efforts to promote national unity and to strengthen the economic and social union.

3. Industry Portfolio

Since January 1996, ACOA has operated as a member of the Industry Portfolio, a change intended to bring about greater coordination among and between the regional development agencies and the other departments and agencies which make up the Portfolio. The Portfolio's mandate and focus reflect the priority the federal government's *Jobs and Growth* agenda places on enhancing: SME development; trade and foreign investment; technology and innovation; and youth employment opportunities. Improved coordination, combined with the sharing of best practices information, enables the Portfolio to offer more effective and efficient programs and services and supports the government's commitment to encourage cooperation in economic development generally.

As a member of the Portfolio, ACOA has reinforced its capacity to be an effective two-way advocate. The Portfolio constitutes a vital, national advocate for business in general, and small business in particular, a role that is enhanced by the regional and local stakeholder and client networks, as well as service capabilities, that are unique to ACOA and the other regional agencies. The Portfolio has a lead role in the development and advancement of micro-economic and sectoral policy. The regional agencies bring a key, strategic local and regional dimension to this process. ACOA serves as the key, front-line contact point to federal government programs, services and policies for Atlantic Canadian small business. Consistent with the overall mandate of the Industry Portfolio, ACOA is directly involved in entrepreneurship development, trade and export activities, science, technology and innovation, business management practices, and access to capital and information. The Agency's traditional approach to economic development, one of partnership and cooperation with clients and stakeholders alike, broadens its reach and the scope of its impact. This approach also has the benefit of being consistent with and supportive of the broader Portfolio commitment to effective cooperation and partnerships.

An ACOA priority for the planning period will be to work closely with Portfolio partners and the Industry Portfolio Office in the development of Portfolio planning and coordination. This will include, for example, activities related to the Expenditure Management System and developing a medium-term planning strategy. The Agency will continue to directly and actively support key, strategic Portfolio initiatives in and management of science and technology, trade and investment, youth programming and SME support. The Agency will work closely with Portfolio partners in support of a cohesive and coordinated approach to increasing public and stakeholder awareness of Portfolio contributions to the *Jobs and Growth* agenda.

4. Federal-Provincial Context

In recent years, a number of issues requiring federal-provincial coordination have been successfully addressed between the federal government and the Atlantic provinces. ACOA was the lead federal department on a number of these files, notably the establishment of the Canada Business Service Centres, the negotiations for a pan-Atlantic International Business Development COOPERATION Agreement, the rationalization of Community Economic Development organizations and the development of common service delivery instruments.

ACOA will maintain its close working relationship with provincial governments and continue to identify and address issues of common interest.

Section III
Plans and Priorities by Business Line

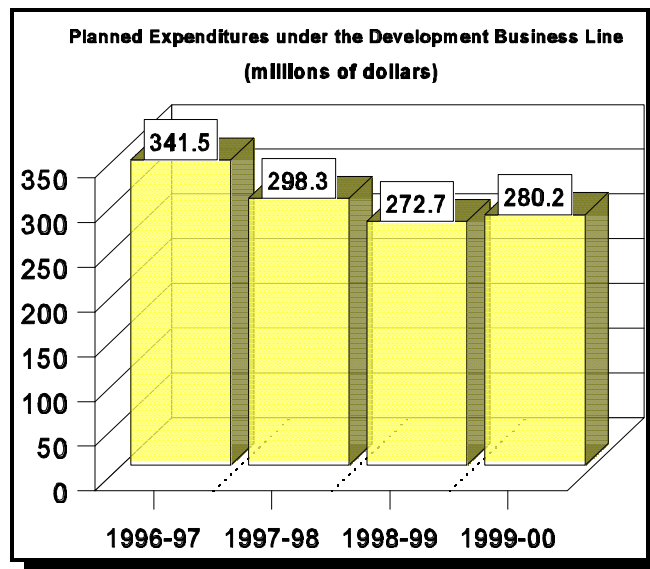
A. Development

1. Objective:

Key Objective:

To increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned incomes and employment opportunities in the region.

Figure 5: Planned Expenditures under the Development Business Line



The Development Business Line includes the Agency's program policy, planning, and delivery functions directly related to ACOA's mandate. The business line is divided into a number of service lines: Advocacy, Coordination and Procurement; Business Development; Canada Business Service Centres; Communications; Community-Based Economic Development; and COOPERATION. These sub-service lines delineate the nature of the Agency's core business.

This Section provides information on each of the Agency's Strategic Priorities, as well as on plans and priorities by province.

2. Plans and Priorities by Strategic Priority:

Access to Capital and Information

Key Objective:





To provide greater access to capital and information for Atlantic SMEs.

Among the greatest barriers to the start-up and expansion of SMEs in Atlantic Canada is insufficient access to capital and information. Breaking down these barriers, in association with public and private sector partners, is a priority for ACOA. The Agency aims to fill the most critical financing gaps such as soft-cost investments in new technology, software, prototypes, staff training, trade development and quality improvement measures. These investments often do not meet either the banks' risk requirements or the size requirements of venture capitalists. ACOA helps with Access to Capital and Information by:

- making interest-free, unsecured loans through its Business Development Program;
- encouraging conventional lenders to increase their SME financing activities; and
- providing a client-oriented business information network centered on the Atlantic Canada Business Service Centres and other local business support organizations.

Plans and Priorities

Expected results

- | | |
|---|---|
|  Monitoring the performance of venture capital funds (e.g., ACF Equity, Island Capital, New Brunswick Federation of Labour Venture Capital Fund) to determine if they meet their objectives in funding SMEs. |  Increased number of Atlantic SMEs accessing venture capital (40 SMEs over the three-year period). |
|  Increasing BDP activity in ACOA's strategic priorities. |  Increased BDP take-up by 5% annually in strategic priorities. |

Plans and Priorities

- ✎ Increasing use of business studies and planning activities.
- ✎ Broadening the availability of micro lending.

Expected results

- ✓ Increased access to Consulting Advisory Services activities and CBSC inquiries by 10% over the three-year plan.
- ✓ Universal rural coverage by the CBDCs.

ACOA's long-term vision with respect to access to capital is for a self-sustaining Atlantic economy where a combination of equity, conventional financing, formal and informal venture capital, and the stock market will provide adequate financing for all viable business opportunities.

Business Management Practices

Key Objective:

To promote increased awareness and use of Better Management Practices (BMP) by SME s.

Client surveys will gauge performance and customer satisfaction.

- BMP is a key element in the success and growth of SMEs.
- Atlantic Canada ranks on a world competitiveness scale as 36 out of 47 in terms of management efficiency.

Plans and Priorities

- ✎ Establish public and private sector partnerships for the promotion of BMP initiatives.
- ✎ Monitor the results of research on best international practices, benchmarking, inventory of tools and support mechanisms, and needs assessment.
- ✎ Develop a set of tools for ACOA account managers to promote and support the use of BMP by SMEs.

Expected results

- ✓ Increase the number of ACOA clients who have implemented or re-engineered their management process to involve the following practices:
 - Financial management;
 - Marketing;
 - Human Resources Development;
 - Quality.
- ✓ Increase SME awareness of the benefits of BMP by benchmark and follow-up surveys.
- ✓ Increased number of ISO certifications to 100 by December 1997.

Entrepreneurship Development

Key Objective:

To contribute to an increase in the number of Atlantic Canadians who choose to start their own business.

Target client groups: potential and emerging entrepreneurs and business support agencies.

- Over 75% of gross new jobs in Atlantic Canada over the past five years have been created by business start-ups.
- A higher level of self-employment in an economy has been associated with higher levels of long-term job growth and GDP in Organization for Economic Cooperation and Development (OECD) countries.

To achieve Entrepreneurship Development's key objective, ACOA will help:

Entrepreneurship development activities are key to ACOA's and the government's Jobs and Growth agenda.

- create awareness of entrepreneurship as a career option;
- provide opportunities for people to learn the entrepreneurial process;
- facilitate the exchange of learning between and among entrepreneurs;
- increase small business support at the local and community levels; and
- pursue research which tracks business start-ups, small business growth and job creation trends and which explores high potential areas for new entrepreneurship development activity.

Plans and Priorities

- ✍ Pursue partnerships with the departments of Education to fill gaps in entrepreneurship course offerings at each level of the school system.
- ✍ Build the entrepreneurship culture through promotion of entrepreneurship and small business.
- ✍ Help more young entrepreneurs through the 1-800 access point, with start-up capital, targeted entrepreneurship training and counselling programs, and promotion of role models and mentors.

Expected results

- ✓ Every student in every grade level has the opportunity to be exposed to entrepreneurship curriculum within the next five years.
- ✓ The goal: an "intent to start a business within the next two years" index of 17% by 1998.
- ✓ The three-year goal: 750 businesses and ensuing jobs.

Plans and Priorities

- ✎ Support for entrepreneurship training with women entrepreneurs.
- ✎ Support development and training for people who do small business counselling.

Expected results

- ✓ The three-year goal: 750 business start-ups and jobs, including new jobs from expansion training with 450 women-owned firms.
- ✓ Access to counselling and advisory services is linked to higher levels of start-ups, survival, growth for SMEs development.

The Entrepreneurship Development priority directly relates to the Industry Portfolio priorities of youth and SME development. Approximately 40% of funding under Entrepreneurship Development supports projects oriented toward the development of young entrepreneurs.

Over 25,000 Atlantic Canadians access ACOA-supported counselling/advisory services through university small business centres, economic commissions, and community economic development organizations.

Innovation and Technology (I&T)

Key Objective:

Increased SME productivity and revenues from development and commercialization of new products or processes and technology diffusion.

ACOA's innovation and technology strategy is consistent with the Industry Portfolio's Action Plan for Science and Technology (S&T), and includes:

- providing project-specific financing and advisory support for projects involving SME development, use and commercialization of technology, as well as infrastructure support to research facilities which provide services to SMEs; and
- facilitating innovation in sectors strategic to the region, such as Aquaculture, Ocean Industries/Marine Technology, Biomedical Industries, Food Processing, Geomatics, Space and Information Technology.

Plans and Priorities

- ✎ Facilitating international research and development partnerships under initiatives such as the Canada-Israel Industrial Research Development Foundation.
- ✎ Facilitating formal research-private sector partnerships and encouraging the extension of existing partnerships for technology services to SMEs.
- ✎ Coordinating the implementation of the Technology Forum Action Plan for 1997-98, which will define how research institutions, government, and the private sector will work together to promote innovation.
- ✎ Begin negotiations with the Atlantic provinces towards the development of an umbrella pan-Atlantic accord on I&T.

Expected results

- ✓ A minimum of **three** international research and development partnerships in 1997-98, contributing to the overall target of **15** by the year 2000.
- ✓ A minimum of **15** new research-private sector partnerships established in 1997-98, contributing to the overall target of **45** new partnerships by the year 2000.
- ✓ The implementation of the Action Plan will, by the year 2000, reduce constraints in the areas of: mechanisms to link research to SME needs; human resources; networks for R&D; I&T financing; and tools for success of technology-based firms.
- ✓ A Memorandum of Understanding or pan-Atlantic agreement on I&T.

Tourism

Key Objective:

Implement initiatives that will enhance the framework in which tourism operators can increase economic growth and activity.

In 1995, the tourism industry generated \$2.3 billion in revenues in Atlantic Canada, of which \$533 million were paid to the federal and provincial governments.

In 1995, Tourism generated \$2.3 billion in revenues, of which \$533 million were paid to the federal and provincial governments in revenues. Employment is estimated at 85,000 tourism-related jobs in the region (about 9% of the work force). Although tourism is a strong contributor to the Atlantic economy, growth in this sector continues to lag compared to other regions of the country.

ACOA works with provincial government and industry partners to:

- maximize resource efficiency of the public and private sector tourism interests;

Tourism-related jobs are estimated at 85,000.

- foster harmony in the region's efforts in marketing, research, product development, human resource development and technology diffusion;
- create forums for addressing regional tourism issues; and
- provide a regional voice on national tourism issues.

Plans and Priorities

Expected results

- | | |
|--|---|
| ✎ Contribute to the Atlantic Canada Marketing Initiative and the Atlantic Canada Tourism Showcase to promote Atlantic Canada as a tourism destination. | ✓ Increased tourism revenues, a return on investment of \$10 per dollar of Atlantic marketing campaign investment and an economic impact of \$26 million from the campaign in 1997. |
| ✎ Advance the use of technology within the industry by supporting industry groups in their technology diffusion efforts. | ✓ 120 Atlantic Canadian tourism operators and 60 North American (mostly from the United States) tour operators to attend Atlantic Showcase '97. |
| ✎ Provide assistance to the development of progressive management practices and improved service quality. | ✓ 100% increase in active participants on an industry network.
✓ Development of criteria for measuring industry management "best practices". |

ACOA is the key federal and Industry Portfolio agent in Atlantic Canada in the implementation of the *Jobs and Growth* agenda for the tourism sector. Strong linkages have been established between ACOA and the Canadian Tourism Commission. Joint marketing endeavours are undertaken by the two groups.

Trade

Key Objective:

An increased number of new exporters and increased sales by existing exporters in current and growing markets.

Growth of the Atlantic economy is dependent upon improved export performance. Growth in export sales is also critically linked to increased employment. ACOA leads an integrated Trade strategy for the Atlantic Region on behalf of the Industry Portfolio.

ACOA's trade strategy involves:

- improving trade services to SME clients, by promoting exporting as a growth option and providing:
 - export-readiness training to clients identified as potential exporters;
 - market information and intelligence to existing exporters; and
 - working proactively with the ACOA developed detailed client database on potential and existing exporters;
- extending the pan-Atlantic International Business Development (IBD) COOPERATION Agreement for three years and engaging groups of companies in IBD activities in the marketplace;
- operationalizing the Team Canada approach in the region as a regional partner for Trade Team Canada; and
- playing an advocacy role for the region in national policy development and working closely with Team Canada partners in the design and delivery of trade programs and activities.

Plans and Priorities

Expected results

✎ Identifying potential exporters and providing the training and mentoring required to export through NexPro or related training.	✓ A minimum of 80 potential exporters having completed export-readiness training in 1997-98, contributing to an overall goal of 400 by the year 2000.
✎ Providing, financial and advisory support to export-ready firms to assist them to establish first-time export sales.	✓ 80 SMEs are successful first-time entrants into the international market, contributing to an overall goal of 300 by the year 2000.
✎ Implementing the Trade Toolkit to increase trade activity supported by BDP and the trade components of COOPERATION agreements.	✓ Increased number and proportion of ACOA's clients intending to enter international markets; exporting for the first time or diversifying into new markets.
✎ Engaging networks of companies to launch IBD trade activities.	✓ A minimum of 40 existing exporters diversify their international markets, i.e., contributing to an overall goal of 150 by the year 2000.
✎ developing, with industry associations, sector-specific export strategies for those sectors where market opportunities are identified.	✓ SMEs in those sectors will increase market penetration of existing markets and initiate sales to emerging markets.

3. Plans and Priorities by Service Line:

Policy, Advocacy and Coordination

Key Objectives:

- **To advocate Atlantic Canada’s interests, priorities and concerns in federal government policy making, program design and project selection;**
- **To provide a sound basis for the Agency’s strategic policy priorities and programs; and**
- **To influence the government’s procurement agenda to bring more and better contracts and industrial benefits to the Atlantic region.**

a. Advocacy and Coordination:

ACOA has a legislated role and mandate as advocate for Atlantic Canada’s interests, priorities and concerns in federal government policy making, program design and project selection. This role, which has been reaffirmed through recent government policy decisions and ACOA’s inclusion in the Industry Portfolio, recognizes the fact that Atlantic Canada, with 10% of the country’s population, remains with an economy which still faces major adjustments and structural change. It also recognizes the unique demographic and economic characteristics of a region comprised of four provinces with often-differing agendas and interests.

Core objectives of the Advocacy and Coordination function:

- identifying, analyzing and providing advice on issues which can affect the opportunities for economic development in Atlantic Canada;
- ensuring awareness of and sensitivity to the interests, priorities and concerns of Atlantic Canada on the part of Portfolio partners, other government departments, and central agencies;
- ensuring through the above that the region’s interests, priorities and concerns are factored into policy development and program design from early stages through finalization;
- ensuring an effective two-way process of information and sensitization, bringing insight and knowledge of policies, perspectives and priorities to and from the region;
- developing and promoting local and regional networks with Portfolio partners, other government departments and private and public sector stakeholders generally to help achieve optimum coordination in economic development strategies for the region; and
- promoting a better understanding within the Portfolio and the government as a whole of the advocacy and coordination responsibilities of ACOA.

ACOA's advocacy effort is a two-way process advanced through strategic alliances and partnerships on a local and regional basis through a network of regional offices and field offices, and through its Ottawa office. Federal Regional Councils, for example, composed of senior federal officials in each of the Atlantic provinces have provided an excellent forum to coordinate and advocate federal initiatives in Atlantic Canada. The Councils will be encouraged to examine new innovative approaches to the delivery of programs and services. These networks bring to the Portfolio, and the government as a whole, a special understanding of the Atlantic economy and the challenges and opportunities facing the region's business community.

ACOA's Regional Networks:

- provincial counterparts;
- Portfolio partners and other federal departments;
- a broad range of public and private sector stakeholders; and
- the SME community.

ACOA's Ottawa Networks:

- weekly Deputy Minister and Assistant Deputy Minister-level meetings;
- a broad range of interdepartmental meetings and committees;
- presentations and speeches on subjects of strategic interest to Atlantic Canada to other government departments, national associations, etc.; and
- meetings of the various Portfolio committees.

Cabinet policy support and advice to the Minister and Secretary of State are carried out through gathering and dissemination of local, regional, provincial and national issue-related intelligence, using the strength of regional partnerships and business and stakeholder networks to influence major federal policy reviews and economic strategies and a coordinated approach to influencing procurement and expenditure decisions.

b) Economic Policy and Research Agenda:

The objective of ACOA's economic policy and research agenda is to provide a sound basis for the Agency's strategic policy priorities and programs. A forward-looking research plan has been developed which includes ongoing internal research activities while simultaneously engaging with external independent partners to carry forward a program of policy research in new areas.

During the past year, a benchmark was established through a set of study projects which assessed the Atlantic region's economic competitiveness from a range of economic, business and social perspectives. These identified key challenges and areas of strength and laid the groundwork for a program of targeted research projects which have now been initiated and will continue over the next two years. Specifically these will focus on: *science and technology; access to capital by SMEs; investment and factors underlying the internationalization of the region; productivity, management and labour force performance; and new directions in regional development policy.*

Specific near-term research projects include:



- identifying emerging new knowledge-based industrial clusters, examining their potential, considering impediments to the growth of science and technology-based SMEs, and drawing conclusions regarding appropriate policy tools to better foster their growth;

- opportunities in bio-technology in Atlantic Canada;
- a Survey of Information Technologies to provide a better understanding of this growing sector, and measuring its impact; and
- building upon the methodology established by KPMG in comparing investment cost competitiveness between Atlantic Canada and the U.S., a further project is being developed extending the analysis to Europe as a basis for increasing awareness by potential European investors of opportunities in this region.

A series of roundtable discussions has been initiated as a vehicle to engage the region's key business and academic stakeholders in discussion on issues pivotal to the region's development. A recent roundtable on aquaculture brought together representatives of all segments of the industry with research scientists and both levels of government to discuss issues which need to be addressed to capitalize on the opportunities in this sector. As a result of a consensus developed at this session, ACOA and Western Economic Diversification are sponsoring the Canadian Aquaculture Industry Alliance to engage consultants to carry out a systematic analysis of the Impact of Regulation on the Aquaculture Industry. Industry Canada and the Department of Fisheries and Oceans are participating, as are other involved federal departments. This illustrates how the Agency's research supports its advocacy and coordination and business development mandates.

c) Procurement and Industrial Benefits Strategy:

The advocacy function is also advanced through a corporate procurement advocacy strategy which influences the government's procurement agenda to bring more and better contracts and industrial benefits to the Atlantic region.

Plans and Priorities	Expected results
<ul style="list-style-type: none">  Emphasize SME participation in federal contracts in the space and high-technology sectors.  Make increased use of federal S&T contracting and spending in Atlantic Canada.  Amend Ottawa-based procurement strategies for major federal contracts, as required, to maximize bidding opportunities for Atlantic firms and economic benefits to Atlantic Canada.  Continue to participate in development of federal procurement policies to maintain effectiveness of Industrial and Regional Benefits policy levers. 	<ul style="list-style-type: none">  • Secure significant industrial and regional benefits for Atlantic firms on major defence procurements, such as: <ul style="list-style-type: none"> - an estimated \$150 million on the new Armoured Personnel Carrier project; - an estimated \$50 million to \$100 million on the Canadian Search and Rescue Helicopter; and - an estimated \$150 million for military aircraft repair and overhaul contracts to Atlantic Canada. • Assist the Canadian Space Agency (CSA) in realizing space objectives by working with Atlantic companies and CSA staff on space-related contracts/projects.

Plans and Priorities

- ✍ Participate with the CSA in developing regional targets for a Long-Term Space Plan.
- ✍ Promote regional companies to prime contractors bidding on national contracts by conducting Atlantic plant tours, facility inspections, company visits and information seminars.
- ✍ Develop S&T policies with other federal decision makers who recognize the S&T challenges, realities and potentials facing the Atlantic economy and the region's SMEs.

Expected results

- Increase business opportunity prospecting/marketing for regional companies by conducting prime contractor tours of regional facilities as well as information sessions of regional company capabilities.
- Increase the number of jobs created by increasing Atlantic region participation on major federal contracts.
- Incremental investments to the region as a result of federal initiatives and procurements.
- Increased expenditures in the region by other government departments.

Business Development Program (BDP)

Key Objective:

To provide Atlantic SMEs with greater access to capital.

Funding provided to approximately 1,000 SMEs to help create and maintain jobs.

The BDP is ACOA's principal program for providing direct financial assistance to SMEs and non-profit organizations for business support activities. The BDP is designed to help SMEs establish, expand or modernize by offering access to capital in the form of interest-free, unsecured, repayable contributions. By providing access to capital for projects that otherwise would not have been able to proceed, the BDP facilitates private sector job creation in order to fulfill the government's commitment on *Jobs and Growth*. The BDP supports the Agency's strategic priorities in that firms operating in the areas of strategic importance to ACOA receive financing through the BDP.

Plans and Priorities

- ✎ Provide funding to approximately 1,000 SMEs to help them create and maintain jobs for Atlantic Canadians.

Expected results

- ✓ Increased employment for the region.
- ✓ Increased number of new business start-ups.
- ✓ Increases in sales (with export sales measured separately).
- ✓ Increased productivity (value added per employee).

Canada Business Service Centres (CBSCs)

Key Objective:

The CBSCs provide access to information to help the potential or existing entrepreneur in sorting out the process and requirements in starting, expanding and/or managing a business.

As the managing partner for the Atlantic region CBSCs, ACOA is responsible for planning, developing and implementing operational policies and procedures that define the products offered to ensure the information needs of SMEs and potential entrepreneurs are met.

Plans and Priorities

- ✎ Provide business-related information and referrals for small businesses and potential entrepreneurs.
- ✎ Provide client-centred business-related service.
- ✎ Facilitate, simplify and provide effective modes of access to government business services.

Expected results

- ✓ 10 % increase in the volume of enquiries over the next three years.
- ✓ Maintain high levels of client satisfaction to be determined through client surveys.
- ✓ Increased access to the CBSC information base will be expanded through a network of intermediaries such as community-business development corporations, using the Internet.

The CBSCs also facilitate access to capital by providing a comprehensive listing of support available through federal and provincial government programming and the private sector.

Communications

Key Objective:

To help promote favourable economic change in Atlantic Canada by providing communications services that directly support and enhance the Agency's program and development activities.

The communications service line includes all activities that are undertaken, advertising (including motivational advertising), publicity and public education undertaken to promote favourable economic changes in Atlantic Canada. It includes awareness and promotion campaigns in support of ACOA programs.

Plans and Priorities

- ✎ Expansion of CBSC information base through a network of intermediaries such as community-based development corporations, using Internet.
- ✎ Develop and implement an awareness campaign and communications strategy demonstrating the benefits of better management practices to SMEs.
- ✎ Develop and implement a promotion campaign of entrepreneurship and small business.

Expected results

- ✓ Improved communications with SMEs and other economic development stakeholders
- ✓ Greater client access to business information.
- ✓ Increase the number of SMEs that adopt best management practices.
- ✓ Achieve an "intent to start a business within the next two years" of index 17% by 1998 among Atlantic Canadians.

Community Based Economic Development (CBED)

Key Objective:

To establish an effective CBED infrastructure which will result in the community taking increased responsibility for its own economic development.

Community-based economic development has proven to be one of the most cost-effective ways by which the government can support job creation.

CBED is a collective action by the community in partnership with government to improve its economic health.

With their grass-roots knowledge of local business needs and economic conditions in their communities, these organizations are often the most effective means of delivering programs/services to support small business growth. They provide a vital means for the delivery of the government's commitments in jobs and growth and SME development.

Plans and Priorities

Expected results

- ✎ Provide contributions to the CBDCs investment funds to assist SME financing in rural areas.
- ✎ Through advocacy and networking, increase the number of strategic alliances within each region to improve client service and improve the coordination and integration of activities.
- ✎ Identify SME support services which can be more effectively delivered at the local levels and encourage other government departments (federal and provincial) to use community development organizations to deliver their programs.

- ✓ Jobs created and maintained in rural areas.
- ✓ Increase in the number of regional alliances and in community and private sector participation in community-based economic development.
- ✓ Increased number of government services/ programs accessible at the local level, particularly in rural areas.

C OOPERATION Program

Key Objective:

To provide a strategic framework and process with the four Atlantic provinces to establish shared economic development priorities.

ACOA COOPERATION agreements have been consolidated into a single, broadly based regional economic development agreement in New Brunswick, Nova Scotia, and Prince Edward Island. In Newfoundland existing agreements continue to operate until their respective termination dates. A new broad-based bilateral agreement in Newfoundland should be in place early in the new fiscal year.

These comprehensive agreements:


- help coordinate federal-provincial economic development activities;
- provide for flexible responsive programming;
- feature joint program development and shared implementation;
- ensure effective consultation in carrying out programs for economic development;
- foster harmonization and integration of federal and provincial economic development efforts; and
- reduce implementing costs for the federal and provincial governments.

Financial contributions under these agreements are not directed to businesses. They focus on strategic investments that bring generic benefits to an industry, a sector, a community or a province. The consolidated agreements will run for five years and assistance is targeted to:

- ACOA's strategic priorities;
- community economic development; and
- sub-regional balanced development (equitable promotion of economic development in all geographic areas).

By province, the agreements will focus on:

- Prince Edward Island ... value added food processing, economic benefits - Fixed Link, biotechnology, tourism, aerospace industries and aquaculture;
- New Brunswick ... high value added, knowledge-based sectors and projects of strategic significance to the provincial economy;
- Nova Scotia ... trade and gateway (transportation), culture and heritage, oceans and the environment, education and research; and
- Newfoundland ... youth entrepreneurship, community economic development, innovation and technology, trade readiness and investment promotion.

Plans and Priorities	Expected results
 Provide funding to assist the Atlantic provinces achieve joint economic goals of job creation through: <ul style="list-style-type: none">- export development/import substitution;- entrepreneurship development;- community economic development; and- strategic infrastructure.	<ul style="list-style-type: none">✓ Increased jobs created and maintained.✓ Increases in earned income.✓ Increased sales/export sales.

Adjustment

The Atlantic Groundfish Strategy (TAGS)

Key Objectives:

- **To assist communities affected by the closure of the groundfish fishery to lever development project investments and to develop long-term employment opportunities for displaced fishers and fish plant workers; and**
- **To improve the climate for private sector investment and entrepreneurship.**

The Community Economic Development component is used to build regional strengths and opportunities through the regional economic development authorities more particularly affected by the fishery closure. Long-term economic development initiatives include measures to promote long-term, self-sustaining economic activity. Performance indicators include jobs created, increases in earned income, increased export development and import substitution, increased opportunities for private sector investment, expansion of the competitive ability of the province's economy and provision of strategic infrastructure for information and innovative technologies.

Expected result: Jobs to be created or maintained.

Base Closures

Key Objective:

To help create new jobs and economic activity to help offset the economic impact of Base closures.

Special funds have been established in a number of communities in Atlantic Canada which have been affected by recent Canadian Forces Base closures. In addition, a fund was established to assist the community of Argentia after the closure of the United States facility there. Funds are typically managed by local authorities or Boards who lead the development of short and longer-term job creation and economic diversification strategies to help offset the impact of the closures. The focus of these strategies may vary by location (e.g., tourism development, information technology firms).

Expected result: Jobs to be created or maintained.

Borden-Cape Tormentine Redevelopment

Key Objective:

To help create jobs to offset the employment and wage effects caused by the termination of the ferry service.

The tripartite agreement between the Government of Canada, the Province of Prince Edward Island, and the Province of New Brunswick, dated December 16, 1992, commits the Government of Canada to allocate funding to pursue development opportunities for the Borden, Prince Edward Island and Cape Tormentine, New Brunswick areas. Two distinct sub-programs are the Borden Area Redevelopment Program and the Cape Tormentine Area Redevelopment Program. They assist in the attraction of economic activity projects, the diversification of the economic base and the generation of sustainable employment opportunities.

Expected result: Jobs to be created or maintained.

Canada Infrastructure Works Program (CIWP)

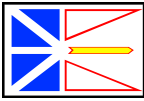
Key Objective:

To generate short and long-term employment while enhancing economic productivity and environmental quality and accelerating economic recovery.

ACOA, in concert with the Atlantic provinces, delivers the CIWP in Atlantic Canada. Over \$649.8 million (\$181.1 million from the federal government) will be invested in the Atlantic region during the life of the Program. The 1995 Budget prolonged the CIWP from a three-year to a five-year program with the same amount of funding. Priority for the planning period will be to monitor the completion of the projects as funds become fully committed.

Expected result: Jobs to be created or maintained.

4. Plans and Priorities by Province:



Newfoundland and Labrador

Economic Context

The Newfoundland economy is in transition. On one hand, the impact of changes in the Employment Insurance program, the fisheries moratorium and public sector downsizing have resulted in declining employment and growing out-migration, particularly in rural areas. The scheduled expiry of the Atlantic Groundfish Strategy (TAGS) support to displaced fisheries workers will contribute to a continuation of this trend throughout the planning period. On the other hand, the outlook for Newfoundland and Labrador beyond 1997 is somewhat better, led by offshore oil production at Hibernia, renewed oil exploration and mining and smelting investments associated with Voisey's Bay. A limited fishery for groundfish may occur as early as this year. These projected improvements in resource sector performance over the 1997-2000 period will benefit some, but serious adjustments are still taking place. Government downsizing and cuts in transfer payments are having a large impact on the portion of the Newfoundland and Labrador population long dependent upon seasonal occupations and government transfers.

Since 1990, total employment has declined by 17,000 - an 8.25% reduction over six years. St. John's, which accounts for one-third of the province's labour force, experienced an 11% *increase* in employment between 1989 and 1996; the rest of the province has seen a 13% *decline* over the same period. The province's population has declined by over 2%, from 584,400 in 1993 to an estimated 570,700 in 1996. This compares to a 3.5% increase in the Canadian population over the same period.

ACOA is concerned about the small number of new projects coming out of the private sector to support economic growth. Funding activities of ACOA (and other lending partners) have trended down over the past several years. Furthermore, the Province is severely constrained in its ability to fund projects. ACOA's strategies to address these challenges over the period to 2000 are congruent with provincial priorities. These strategies will:

- build the framework and improve the investment climate for the priority areas of tourism, aquaculture and advanced technology by implementing the Canada/Newfoundland Agreement on Economic Renewal;
- focus on community (particularly rural) economic development, technology development and transfer, and the development of export traders through the Canada/Newfoundland Comprehensive Economic Development Agreement (CEDA); and
- support entrepreneurship and competitiveness in industry and industry associations under the Business Support element of the Business Development Program and the CEDA to maximize the economic benefits from oil and mineral developments.

ACOA Plans and Priorities

Business Development Program: ACOA expects to help create or maintain jobs over the planning period in Newfoundland based on an annual budget of \$25 million. The added stimulus provided through the Economic Renewal Agreement can be expected to increase lending activity in the aquaculture, tourism and advanced technology sectors. Planned oil and mining industry developments are also expected to stimulate small business developments, particularly in the areas of oil/mining and environmental services industries.

Coordination of Federal Economic Development Activity: The zonal approach to rural renewal is being adopted by communities, the Province and ACOA to build stronger communities through strategic initiatives on a zonal level. ACOA will foster this approach with other federal departments. ACOA will also lead interdepartmental efforts to harmonize government economic development assistance programs in terms of application and approval processes, and reporting and accounting procedures. Joint strategic planning with the Province will be a priority with emphasis on rural renewal and the knowledge-based economy. Other federal departments will be encouraged to participate.

Community-Based Economic Development: The Regional Economic Development Boards will become the lead agents of regional development over the planning period. Strategic plans will be completed over the coming year, providing a blueprint for long-term community-based development initiatives. Key measures of success will be the creation of sustainable jobs and the buy-in of groups which have traditionally led regional development at the community level.

COOPERATION: The new Comprehensive Economic Development Agreement will focus on non-commercial activities in the areas of trade, technology, entrepreneurship, community economic development and business management practices. Expected results have yet to be indicated as agreement negotiations have not yet been finalized. The Strategic Regional Diversification Agreement will continue to be focussed on delivery of the TAGS/CED funding, which, in effect, will be used to support community initiatives.

Canada Business Service Centre: The CBSC in Newfoundland has established firm partnerships with industry associations. Deliverables over the planning period include completing a partnership agreement with the Province to deliver information products and services, and operationalizing a plan to provide points of presence in at least 20 communities, one in each of the province's economic zones.

Communications: The Communications Division will develop and implement a strategy to communicate information about the changing Newfoundland economy and how the Agency's programs and service lines support change constructively.

Base Closures: ACOA will continue to provide administrative support and advice to the Argentina Management Authority (AMA) and Gander Worldwide during the planning period. In Argentina, the Agency will seek to build upon the recent Inco announcement regarding the planned establishment of a \$1.5 billion nickel and cobalt smelter and refinery. In addition to assisting the AMA to capitalize on the significant potential for related industries, ACOA will actively encourage the further expansion and diversification of the area's economy through the continued development of projects previously identified and the targeting of new opportunities. In Gander, efforts will continue to be focussed on increasing international air-tourism and air-freight services.

Economic Renewal Agreement: Three strategic sectors are targeted under the Economic Renewal Agreement - advanced technologies, tourism and aquaculture. Emphasis will be placed on improving the investment climate in these sectors in order to help create jobs .



Nova Scotia

Economic Context

The Nova Scotia economy is expected to show moderate growth over the next three years. Fiscal restraint by all levels of government has had a dampening effect on economic growth and is expected to continue in the short term. However, in many other areas, the future holds great promise for Nova Scotia. Investment growth is expected to be among the highest in the country. A \$650 million expansion at Stora Forest Products to add a super-calendared paper line is well underway and is anticipated to create 800 construction jobs and 200 permanent jobs. Construction of a \$300 million blood fractionation plant in Halifax is expected to begin this year. A \$113 million project on Highway 104 between Truro and Amherst will provide 250 construction jobs. The development of six natural gas fields near Sable Island could result in Nova Scotia leading the region in growth by 2000. The Tourism Industry should show strong signs of growth as the Province of Nova Scotia mounts an aggressive strategy in tourism marketing, including improved air access. Investment in infrastructure for both the Port of Halifax and the Halifax International Airport will be necessary to ensure future opportunities are realized.

ACOA's priorities for the province include a focus on a number of areas that have been identified as strengths in terms of opportunity for growth and job creation. The commercial/medical area will receive special attention, drawing on opportunities that will result from the blood fractionation plant and the strength of the private and public sectors in this area. Building on a dynamic business base, a focus on information technology will be a key component of its economic success. Other priorities include: youth, procurement, education, transportation, tourism, ocean and environmental industries, cultural industries and trade.

Consistent with ACOA's strategic approach to economic development, a federal/provincial economic development framework has been developed which focuses on five areas where the province has the potential to be the very best in the world. These areas are Gateway to North America, Leading Trading Centre, Centre for Education and Research, Centre for Culture and Heritage, and Centre for Oceans and the Environment. Indicators of success have been developed to measure progress in these areas.

ACOA Plans and Priorities

Business Development Program: ACOA expects to help create or maintain jobs in Nova Scotia based on a forecasted investment in projects of about \$26.5 million a year.

COOPERATION: The COOPERATION Agreement on Economic Diversification (\$240 million) will focus on non-commercial activities in support of the five areas of priority identified in the federal/provincial strategic framework. Input will be sought from the private and public sector to identify the best initiatives in moving the Nova Scotia economy forward. Preliminary targets have been developed to measure success.

Community-Based Economic Development: Over the planning period, the establishment of an integrated, highly effective local economic development infrastructure will be completed. Assistance will be provided to help implement strategic plans now in place for the 14 Regional Development Agencies. The outcomes of the planning processes will be integrated into province-wide economic development strategies. Building strong linkages between, if not consolidation of, the work of the many groups and agencies involved in local economic development will be a high priority for program managers and sponsors. Completion of the local system of support for entrepreneur and small business development will also be accomplished. Regional Development Agencies and Community Business Development Corporations will be encouraged to focus efforts on helping their clients make fuller use of the “Information Highway” and other new management-related technologies to improve operations, product development processes and trading capabilities.

Canada Business Service Centre: The CBSC in Halifax is now established as a single information source on government programs and services for business and there is a Satellite Business Service Centre in Cape Breton. Deliverables over the planning period include: working with existing economic development organizations to provide business information services in all regions of the province; making full use of the Internet to convey information, as well as various interactive tools; and expanding the Centre’s information base in response to the needs of business clients.

Coordination of Federal Economic Development Activity: The Federal Council, chaired by ACOA, will develop a business plan for interdepartmental cooperation and locally shared support services projects. A Policy Sub-Committee has been established to provide input at a national level and a project will be undertaken to facilitate regional implementation of a government-wide management succession initiative, *La Relève*. The Industry Portfolio members will continue working together on initiatives which ensure regional sensitivity and create opportunities to complement the national agenda. The Federal Economic Development Coordinating Committee will continue to work with Nova Scotia Economic Development Deputies on coordinated or joint activities which support the priorities of both governments contained in the COOPERATION Program strategic framework.

ACOA will continue its responsibility for ensuring that benefits result fully and fairly from the Industrial Regional Benefits (IRB) policy through a three-pronged approach in its promotion of IRBs: cooperate with other federal departments and agencies to ensure that procurement strategy is responsive to regional considerations; work with provincial governments and Atlantic firms in identifying supply capabilities and competencies; and facilitate interaction between prime bidders and the supply community through activities such as regional visits and plant tours.

Communications: The Communications division will continue to provide ongoing support in the promotion of ACOA activities and results to Agency stakeholders. It will also develop and implement ongoing communications mechanisms from client and community groups, thus ensuring feedback to program managers on the work effectiveness.

Base Closures: ACOA has taken an aggressive approach in encouraging the Base agencies to become proactive economic development organizations. All Bases are finalizing their respective business plans which include measurable goals and options for self-sufficiency by March 31, 1999, the expiration date of the ACOA developmental funding contract. Over the next two years, the Cornwallis Base Agency intends to divest all physical assets and create long-term sustainable jobs for the area. The Shelburne Base Agency will focus on aquaculture development and the training and conference sector. The Mill Cove Base Agency continues to enjoy the benefits of the television production currently in operation, but is to concentrate on commercial small business development to ensure its long-term goals are reached. The Shearwater Base Agency is changing its focus from airport development to container handling in conjunction with other transportation sector-related organizations. This has occurred as a result of the findings of a recently released transportation study. The Debert Base Agency is in the initial start-up stage and the development of a strategic plan is to begin immediately.



Prince Edward Island

Economic Context

The building of the Fixed Link, strong potato prices and the rapid expansion of the potato processing industry have been major supports to a positive surge in the province's economy since 1994. The completion of the Fixed Link in the spring of 1997 will, however, see the end of nearly 2,000 construction jobs in the economy.

The provincial government had balanced the province's current account in 1995/96 and had projected the same result for 1996/97. It has recently become evident, however, that the impending 1997 provincial recession, coupled with the absence of GST harmonization and cuts in federal transfer payments, could have significant, negative economic impacts on the province's economy.

The past two years have shown Prince Edward Island's employment growth as exceeding that of the other Atlantic provinces. The end of the Fixed Link project will, however, result in neutral or negative growth in employment in 1997.

ACOA recognizes that the replacement of the ACOA Action Program with the BDP continues to require a proactive effort with the business community in order to impress upon them the veracity of the benefits of the programming to their business development and business establishment aspirations. The new federal/provincial Economic Development Agreement (EDA) for the 1996-2001 period will emphasize the strategic priorities of both levels of government. Major aims will be to support the establishment and upgrading of appropriate economic development infrastructure. Priority areas for Prince Edward Island include tourism development, manufacturing, particularly food processing, biotechnology and innovation, particularly with regard to food, animal product and aquaculture development activities. Given Prince Edward Island's economic history as an export trader, the further development of export-related entrepreneurs will also constitute a major priority.

ACOA Plans and Priorities

Business Development Program: ACOA expects to help create or maintain jobs in Prince Edward Island based on an annual projected budget of \$8.6 million. Areas of particular activity are expected to be in processing type manufacturing, biotechnologies, aerospace, tourism and aquaculture.

Coordination of Economic Development Efforts in Prince Edward Island: The new federal/provincial EDA will help improve coordination between the two levels of government. Within the federal level of government, ACOA will continue its coordination efforts through the Federal Regional Council to harmonize federal efforts in the economic development field. The planning program in the EDA will ensure a joint strategic planning process with the provincial government. ACOA will help institute critical infrastructure necessary for the development of the knowledge-based sector of the economy.

Rural Community Economic Development: Over the past year and a half, ACOA has served as a major driving force in the development of four major rural economic development organizations to replace 10 previous organizations. The "teething pains" associated with this major structural change are coming to an end. ACOA is presently completing, in partnership with the province, an examination of the strategic roles and relationships of these organizations with those of federal and provincial economic development agencies. This effort should help increase overall efficiencies.

COOPERATION Agreement: The new 1996-2001 agreement will support general strategic economic development, tourism, knowledge-based economic development, export trade and prospecting, value-added manufacturing, aerospace and aquaculture. These efforts will not be for the direct economic benefit of individual businesses, but will be aimed at generic sectoral level benefits for all players in the sectors.

Canada Business Service Centre: Besides day-to-day service to a growing number of business clients, efforts continue to offer network servicing equally throughout the province. Efforts also continue to upgrade the quality, width and depth of information products and information brokerage available to clients.

Communications: A strategy will be prepared to reflect ACOA's programming effort and how it will strategically improve the capabilities of the province's economy.

Borden-Carleton: ACOA has supported development in this community and will continue to support the expansion and diversification of the Gateway Village, as well as other appropriate economic development opportunities.

Souris Industrial Park: ACOA has dedicated more than \$15 million to the critical infrastructure components of this park and will continue to support efforts to secure additional anchor tenants.

Base Closure: Slemon Park Corporation is in its final year of a five-year operational funding agreement. It is expected that it will be self-sufficient; however, ACOA will continue to support efforts in securing additional tenants.



New Brunswick

Economic Context

In New Brunswick, real economic growth is forecast at 1.5 percent for 1996, at 2.1 percent in 1997 and 2.2 percent in 1998. Completion of the Frigate Construction Program, combined with a sluggish pulp and paper market, will result in lower manufacturing shipments in 1996. Both manufacturing and forestry are expected to rebound in 1997. Growth in 1997 and 1998 is anticipated to come from the construction sector, particularly from the four-lane highway to be built between Fredericton and Moncton and also from upgrading and maintaining existing roads.

Effort is being made to diversify the New Brunswick economy throughout all the province's geographic regions. The attempt is multi-faceted and involves the development of new sectors such as: information technology; the introduction of value-added production in traditional resource-based industries, such as forestry and mining; the expansion of other primary industries, such as agriculture, into new products such as blueberries and cranberries; and the re-positioning and orientation of tourism towards eco-tourism and outdoor adventure. In the information technology sector, focus is shifting away from call centres towards the attraction of new remote technology development centres. Attention is continuing to be directed at nurturing and developing the home-grown software industry. Investment, based on value-added products, in new technology such as kiln drying is being made to rejuvenate traditional industries like sawmills. One of New Brunswick's underlying strengths has been the dynamism of its small businesses, which are dispersed throughout the province's industrial and commercial sectors.

The regional economic development strategy in New Brunswick is based upon the following strategic priorities: ensuring a positive climate for small and medium enterprises by attracting knowledge-based business investment; increasing the flow of start-up and investment capital to small business and developing a small business services network based on a total quality audit approach; continuing support to areas of competitive excellence by building affiliated industry clusters having strong linkages between producers, suppliers, distributors, and customers; investing in people and skills; balancing development within all regions of the province; and creating and maintaining a competitive economic environment.

ACOA Plans and Priorities

Business Development Program: The BDP in New Brunswick is expected to generate approximately \$25 million per year in both commercial and non-commercial project activity.

Community-Based Economic Development: The primary objectives are to:

- develop and support tools to improve the operations of the CBED partners;
- help create and maintain jobs;
- help refocus some of the Regional Economic Development Commissions (REDCs) on their key mandate of SME assistance;
- increase private sector participation in CBDC and REDC governance;
- increase the number of programs delivered by CBED organizations where it is feasible and eliminates some paper burden for the client; and
- have a self-sufficiency plan adopted by each CBDC in 1996-97.

Canada Business Service Centre: The Canada/New Brunswick Business Service Centre provides for the direct access to key information tools through a network of 25 points of service located in 14 communities in the province by offering support through such forms as training, information research services and electronic conferencing facilities.

Coordination Activity: At the provincial level, ACOA will take the lead for the New Brunswick Federal Council of senior managers in the field of economic development coordinating the activities of federal departments. At the local level, ACOA will help coordinate the delivery of programs and services targeted to small business by encouraging ACOA's partners to participate in the development of a common workplan from which all partners can then take responsibility for implementation of elements pertinent to their respective jurisdictions. Within the Agency, the ACOA New Brunswick office will take the lead role in developing an Atlantic Aquaculture Development Strategy. A pan-Atlantic view regarding the priorities for the development of the regional aquaculture industry will be developed as the basis for engaging other interested parties such as the Department of Fisheries and Oceans, Industry Canada, the National Research Council and industry associations in discussions concerning future directions and strategies. Also, the ACOA New Brunswick office will coordinate its investment activities with provincial and other federal departments to ensure that sound investment projects are identified and promoted.

Communications: Activities will be undertaken to promote public awareness of ACOA's strategic priorities, particularly: Procurement, Investment, Trade, Business Management Practices, Entrepreneurship, Innovation and Technology through:

- the monthly column *ACOA Talks Business/Parlons d'affaires*, which focuses on business issues related to ACOA's strategic priorities;
- a series of profiles featuring clients successfully working in the areas of the strategic priorities; and
- display material, brochures, fact sheets, ad copy and presentation material for the working groups dealing with the strategic priorities.

Regional Economic Development Agreement: The Agreement will provide support for: the development and expansion of the economic base; improved competitiveness; sustainable job growth; development of small and medium-sized businesses; and the development of human resources in the province. The Agreement will focus on non-commercial infrastructure needs with each proposal subjected to a business case analysis, including measurable outputs and targets.

Aboriginal Economic Development: ACOA will participate in the Joint Economic Development Initiative (JEDI) for Aboriginal peoples, which is a coordinated effort involving federal and provincial government departments, as well as Chiefs of First Nations and leaders of Aboriginal organizations, including the New Brunswick Aboriginal Peoples Council. A three-year Aboriginal Economic Development Fund, under the Canada/New Brunswick Regional Economic Development Agreement, will be utilized to support undertakings that contribute to economic development for Aboriginal peoples in New Brunswick.

Base Closures: The Agency will continue to monitor progress in Miramichi as development funding and responsibility have been transferred to the Province in this area. In Moncton, the Moncton Response Group will continue to implement the agreement it has signed with ACOA which concentrates on non-commercial economic development and business start-ups by displaced workers.

Tormentine Redevelopment: Projects considered under this initiative will create a redevelopment opportunity for the targeted geographic territory in order to offset adverse employment and wage effects caused or occasioned by the termination of the ferry service between New Brunswick and Prince Edward Island. ACOA will actively pursue business development opportunities in the area targeted for adjustment and provide support and assistance to the South East Economic Commission, which has dedicated a full-time development officer to this redevelopment initiative.

Business Management Practices: ACOA will develop and implement, in cooperation with various other stakeholders, awareness programs and other initiatives. Each of ACOA's district offices will be working with their local stakeholders in order to identify SME needs. Once the needs have been identified, a work plan of activities will be formulated for both the regional and provincial levels. A provincial Business Management Practices conference will be also be carried out.

Trade: In addition to other Agency activities in trade, ACOA will focus its efforts on increasing the number of export-potential SMEs to export-ready status through initiatives such as training for trade. It is expected that 30 SMEs in New Brunswick will reach export readiness through this activity.

B. Corporate Administration

1. Objective:

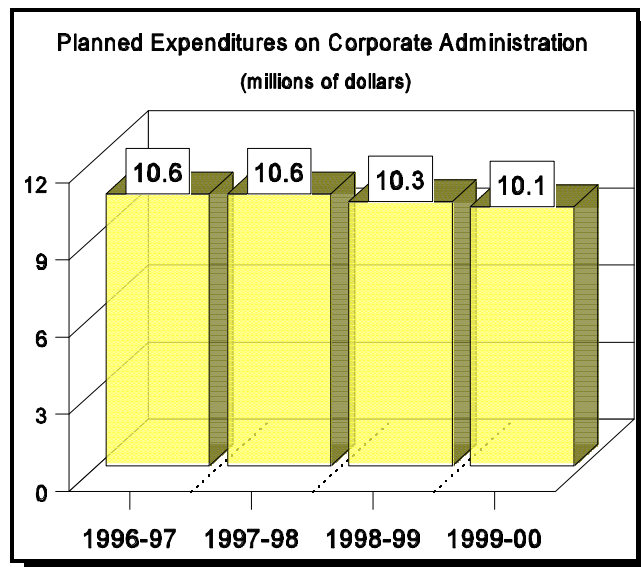
Key Objective:

To ensure that ACOA's resources are efficiently and effectively managed and that administrative systems and services are in place to support management decision making, accountability and operational control.

Figure 6: Planned Expenditures on Corporate Administration

Corporate Administration includes:

- The executive offices of the Minister, the Secretary of State, the President and the Executive Vice-President;
- Finance, systems and other administrative support services provided at Head Office and in regional offices;
- Human Resource services and activities;
- Internal audit activities;
- Legal services; and
- Head office communications not related to specific programs.



Provides the management and support services to help the Agency meet its overall objectives.

The Corporate Administration Business Line includes a wide range of administrative activities in support of Agency programs. Many of the activities undertaken in this business line are ongoing functions that support Agency management. Functions such as Access to Information, secretariat support to the President, the Executive Vice-President, the Minister, the Secretary of State and the ACOA Advisory Board are essential to the effective management of the Agency. The Agency Communications function develops – and conveys to the public – information on the Agency's programs and services to ensure equitable public access to those programs and services. In addition, the Communications function attempts to increase the public's and stakeholders' understanding of what ACOA does, why its work is necessary, and what results or benefits are realized. The Human Resources Branch provides advisory services to the President and senior management of

the Agency in all aspects of Human Resource Development in order to strengthen and enhance its internal and external capacity with clients.

2. Operating Context and Key Initiatives:

ACOA initiatives are complementary to Treasury Board Secretariat projects.

Fiscal restraint will persist over the planning period and will continue to pose very real challenges in finding new and innovative ways to carry out the Agency's business while, at the same time, maintaining an acceptable level of client service.

Two major initiatives coordinated by the Treasury Board Secretariat are the implementation of the new Expenditure Management System as well as the development and implementation of the Financial Information Strategy. These initiatives are complementary to the Agency's own efforts to improve the quality and timeliness of performance and financial information for parliamentarians and others.

Plans and Priorities	Expected results
✎ Introduction of a fully integrated planning process by the end of 1997-98.	✓ Improved performance (results) reporting; enhanced quality of reports to Parliament and Canadians; better costing information; and timely availability of information.
✎ In fiscal year 1997-98, the Agency will implement automatic bank debits, harmonize repayment dates and implement annual invoicing for its repayable contributions.	✓ Better client service; reduction in processing costs; simplified collection process; increased consistency.
✎ By fiscal year 1999-00, the Agency will upgrade its corporate program and financial information system.	✓ A state of the art system, provides standard reporting, improved decision-making, reduction in overhead costs, and is Financial Information Strategy and Year 2000.
✎ Over the next three years, continue to improve the Agency's electronic connectivity with clients, provincial governments and partner organizations.	✓ More timely information, reduced paper burden (improved efficiencies), better information for decision-making.
✎ By the end of fiscal year 1998-99, fully integrate statistical sampling audit methodology into Agency operations.	✓ Better client service; improved quality of outputs; improved information regarding operations to management.
✎ During the 1997-98 fiscal year, convert all Agency positions to the new Universal Classification Standard.	✓ Reduction in classification actions, combined with a more simplified pay administration system.

Plans and Priorities

- ✎ During the 1997-98 fiscal year, implement recommendations related to the Agency's Human Resource Management Framework.
- ✎ Implement the new Employment Equity legislation and corresponding workforce analysis.
- ✎ The Agency will take an active role in the revitalization of the Executive Group through the *La Relève* initiative.
- ✎ Inform the general public and ACOA stakeholders, via the mainstream media, of the Agency's rationale, challenges and results.
- ✎ Market the Agency's Business Development and COOPERATION programs to ensure that key target publics are aware of them and understand the nature and benefits of the services offered.
- ✎ Communicate key Industry Portfolio messages to the Atlantic Canadian public and other stakeholders; and inform the Minister, Members of Parliament, and other Portfolio members of ACOA's key activities, strategies and results.

Expected results

- ✓ Strengthened training initiatives, resourcing approach and communications strategy.
- ✓ Greater reflection within the Agency of the diversity of Canadians within its workforce.
- ✓ An improved and modernized service delivery, strengthened policy capacity and a staff that can contribute their maximum in a supportive, continuous-learning environment.
- ✓ Increased public and stakeholder understanding of what ACOA does, why its work is necessary and what results are delivered.
- ✓ Effective take-up of the programs and an increased understanding of Agency's strategic priorities.
- ✓ Increased awareness of the Industry Portfolio concept and ACOA's role in the Portfolio.

3. Key Plans and Strategies:

Strengthen results-based management and improve financial and program systems.

The Agency's objective as identified in its legislation 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*". The Corporate Administration Business Line provides the management and support services necessary to assist the Agency in meeting this objective. Strengthening results-based management and accountability, as well as enhancing audit techniques, will improve the Agency's ability to demonstrate the effectiveness of its programming to parliamentarians and other external clients. Improvements to Agency financial and program information systems are expected to provide better, more timely information resulting in improved decision-making, less costly administration and maintenance of client service.

Section IV
Supplementary Information

A. Profile of Resources

Figure 7: Gross Planned Expenditures within Business Lines

Gross Planned Expenditures within Business Lines				
(millions of dollars)	Planned	Planned	Planned	Planned
Business Lines	Expenditures	Expenditures	1998-99	1999-00
	1996-97	1997-98		
Development	341.5	298.3	272.7	280.2
Corporate Administration	10.6	10.6	10.3	10.1
Total	352.1	308.9	283.0	290.3

Figure 8: Personnel Requirements

Details of Personnel Requirements by Business Line (Full-Time Equivalents)				
	1996-97	1997-98	1998-99	1999-00
Business Lines	Estimates	Estimates	Planned	Planned
Development	277	278	278	255
Corporate Administration	96	95	95	95
Total	373	373	373	350

Figure 9: Summary of Authorities Contained in Part II of the 1997-98 Main Estimates

Financial Requirements by Authority			
Vote	(thousands)	1997-98 Main Estimates	1996-97 Main Estimates
Atlantic Canada Opportunities Agency			
Agency			
20	Operating Expenditures	41,021	39,947
25	Grants and Contributions	249,809	297,162
(S)	Liabilities in Atlantic Canada under the <i>Small Business Loans Act</i>	4,500	5,000
(S)	Liabilities for loan or credit insurance pursuant to the <i>Government Organization Act, Atlantic Canada, 1987</i>	10,000	10,000
(S)	Contributions to employee benefit plans	3,572	2,842
Total Agency		308,902	354,951

Figure 10: Gross and Net Agency Expenditures by Business Line

Gross and Net Agency Expenditures by Business Line				
(millions)	Planned Expenditures 1996-97	Planned Expenditures 1997-98	Planned 1998-99	Planned 1999-00
Gross Expenditures by Business Lines				
Development	341.5	298.3	272.7	280.2
Corporate Administration	10.6	10.6	10.3	10.1
Total Gross Expenditures	352.1	308.9	283.0	290.3
Less: Revenue Credited to the Consolidated Revenue Fund				
Development	18.1	28.5	41.2	55.0
Net Expenditures by Business Lines				
Development	323.4	269.8	231.5	225.2
Corporate Administration	10.6	10.6	10.3	10.1
Total Net Expenditures by Business Line	334.0	280.4	241.8	235.3
Cost of services provided by other departments	3.3	3.4	3.4	3.4
Total Net Cost	337.3	283.8	245.2	238.7

Figure 11: Transfer Payments by Business Line

Transfer Payments by Business Line				
(millions)	Planned Expenditures 1996-97	Planned Expenditures 1997-98	Planned 1998-99	Planned 1999-00
Development				
<i>Core Programming</i>				
Business Development Program				
Grants	2.0	2.0	1.8	1.6
Contributions	108.5	99.2	92.9	91.5
Sub-Total	110.5	101.2	94.7	93.1
Grant to the Atlantic Investment Fund		3.0		3.0
Liabilities in Atlantic Canada under the <i>Small Business Loans Act</i>	5.0	4.5	4.5	3.6
Liabilities for loan or credit insurance pursuant to the <i>Government Organization Act, Atlantic Canada, 1987</i>	5.0	10.0	10.0	10.0
Sub-Total	120.5	118.7	109.2	109.7
Federal-Provincial COOPERATION Program	105.4	73.3	85.7	114.1
Community Futures Program	8.5	8.5	8.5	8.5
Total Core Programming	234.4	200.5	203.4	232.3
<i>Non-Core Programming</i>				
Adjustment Programs	25.2	55.1	35.9	17.7
Canada Infrastructure Works Program	47.5	8.7	1.0	
Total Non-Core Programming	72.7	63.8	36.9	17.7
Total Transfer Payments	307.1	264.3	240.3	250.0

Figure 12: Presentation by Standard Object

Standard Object Presentation				
(thousands)	Planned Expenditures 1996-97	Planned Expenditures 1997-98	Planned 1998-99	Planned 1999-00
Personnel				
Salaries and wages	20,744	21,013	20,454	19,496
Contributions to employee benefit plans	2,842	3,572	3,477	3,340
Other salary and wages				
Other personnel costs				
	23,586	24,585	23,931	22,836
Goods and services				
Transportation	4,286	3,875	3,644	3,392
Information	1,582	1,422	1,337	1,245
Professional and special services	11,075	10,393	9,775	9,097
Rentals	939	669	629	586
Purchased repair and maintenance	686	660	620	577
Utilities, materials and supplies	1,250	1,248	1,174	1,092
Construction and/or acquisition of machinery and equipment	1,485	1,733	1,629	1,516
Other subsidies and payments	145	8	7	7
	21,448	20,008	18,815	17,512
Transfer payments	307,101	264,309	240,310	249,928
Voted	297,101	249,809	225,776	236,353
Statutory	10,000	14,500	14,534	13,575
Total	352,135	308,902	283,056	290,276

B. Further Information

1. ACOA Website:

<http://www.acoa.ca>

2. Publications

The following publications contain additional information on ACOA programs:

Program Brochures:

- Business Development Program (BDP)
- BDP Information Sheets:
 - Business start-ups, expansions and modernizations
 - Developing Your Innovative Ideas
 - Improving Your Competitiveness
 - Non-Commercial Projects
- Import Information System
- The COOPERATION Program
- Canada/Atlantic Provinces COOPERATION Agreement on International Business Development
- Trade Means Business
- Trade - Atlantic Canada: Opportunities
- The New Exporters Training and Counselling Program (NexPro)
- Entrepreneurship Development Initiative

Other publications:

- ACOA Annual Reports (1989-90, 1990-91, 1991-92)

- Corporate Profile - Building a Stronger Economy Together
- Atlantic Canada: Facing the Challenge of Change (A Study of the Atlantic Economy)
- Five-Year Report to Parliament (1988-1993)
- ACOA Reference Handbook: Activities and Results
- ACOA and Community Business Development Corporations
- Outlook On Program Priorities and Expenditures
- The Implementation of an Entrepreneurship Development Strategy in Canada - The Case of the Atlantic Region (Organization for Economic Cooperation and Development/ACOA)
- Performance Report to Parliament (1993-1996)
- Atlantic Canada and the 50 States: A Development Comparison (NAPG - June 1996)
- Atlantic Canada and the World: A Development Comparison (NAPG - June 1996)
- Atlantic Canada Human Development Index Study (Informetrica - March 1996)
- A Comparison of 1996 Business Costs in Atlantic Canada and the United States (KPMG - April 1996)
- The State of Small Business and Entrepreneurship in Atlantic Canada
- Impact - Profiling Smart Business in Atlantic Canada
- Best Practices - Support Programs for the Development of Young Entrepreneurs
- From Ideas to Business Opportunities
- Summary Report of the Characteristics and Needs of Young Entrepreneurs and Young Persons Wanting to Become Entrepreneurs in Atlantic Canada
- Profiles of Student Entrepreneurs in Atlantic Canada
- The Young Entrepreneurs

These publications are available upon request from:

Communications Branch
ACOA Head Office
Blue Cross Centre
644 Main Street
P.O. Box 6051
Moncton, New Brunswick
E1C 9J8
1-800-561-7862 (Toll-Free)
(506) 851-2271 (General)
(506) 851-7403 (Fax)

3. List of Offices

a. Atlantic Canada Opportunities Agency

ACOA Head Office

P.O. Box 6051
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Moncton, New Brunswick
E1C 9J8

(506) 851-2271 (General)
(506) 851-7403 (Fax)

ACOA New Brunswick

P.O. Box 578
570 Queen Street
Fredericton, New Brunswick
E3B 5A6

(506) 452-3184 (General)
(506) 452-3285 (Fax)

ACOA Newfoundland

P.O. Box 1060, Station "C"
Suite 801, Atlantic Place
215 Water Street
St. John's, Newfoundland
A1C 5M5

(709) 772-2751 (General)
(709) 772-2712 (Fax)

ACOA Nova Scotia

Suite 600, 1801 Hollis Street
P.O. Box 2284, Station "M"
Halifax, Nova Scotia
B3J 3C8

(902) 426-6743 (General)
(902) 426-2054 (Fax)

ACOA Prince Edward Island

P.O. Box 40
100 Sydney Street
Room 325, 3rd Floor
Charlottetown, Prince Edward Island
C1A 7K2

(902) 566-7492 (General)
(902) 566-7098 (Fax)

ACOA Ottawa

P.O. Box 1667, Station "B"
60 Queen Street, 4th Floor
Ottawa, Ontario
K1P 5R5

(613) 954-2422 (General)
(613) 954-0429 (Fax)

b. Enterprise Cape Breton Corporation

Enterprise Cape Breton Corporation

P.O. Box 1750

4th Floor, Commerce Tower

15 Dorchester Street

Sydney, Nova Scotia

B1P 6T7

(902) 564-3600 (General)

(902) 564-3825 (Fax)

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