

Atlantic Canada Opportunities Agency



**2003-2004
Estimates**

Part III - Report on Plans and Priorities

Minister of Industry

Table of Contents

Section I – Messages	1
Minister’s Portfolio Message.....	1
Minister of State’s Message	3
Management Representation	5
Section II – Raison d’être.....	7
Section III – Planning Overview	9
Section IV – Strategic Outcomes	15
Outcomes	15-29
Corporate Administration	30
Business Development Program Repayable Portfolio	31
Horizontal Issues	33
<i>Government of Canada’s Rural Policy</i>	<i>33</i>
<i>Aboriginal Economic Development.....</i>	<i>34</i>
<i>International Business Development Agreement (IBDA)</i>	<i>35</i>
<i>Brand Canada Pilot Project.....</i>	<i>35</i>
<i>Infrastructure Canada.....</i>	<i>36</i>
<i>Federal Regional Councils.....</i>	<i>37</i>
<i>OECD Territorial Development Policy Committee (TDPC).....</i>	<i>38</i>
Government Themes and Management Issues	39
<i>Government On-Line.....</i>	<i>39</i>
<i>Sustainable Development</i>	<i>40</i>
<i>Modern Comptrollership.....</i>	<i>41</i>
<i>Section 41 of the Official Languages Act.....</i>	<i>42</i>
<i>Citizen-centred Service Delivery.....</i>	<i>43</i>
<i>ACOA’s Review Services.....</i>	<i>43</i>
Section V - Organization	45
A. Agency Business Lines	45
B. Development Business Line	45
C. Corporate Administration Business Line.....	45
D. Strategic Outcomes and Business Lines	46
E. Accountability.....	47
F. Responsibilities	47
G. Agency Planned Spending	48
ANNEX	49

Section I - Messages

Minister's Portfolio Message

I am proud to report on the measures being taken by the Industry Portfolio to help realize the government's goal of moving Canada into the ranks of the most innovative countries in the world by the year 2010. In today's global economy, innovation is the key to success. Thanks to innovation, we are finding new ways of thinking and better ways of working.

As the Minister responsible for the Industry Portfolio, I was pleased to be part of creating *Canada's Innovation Strategy*, which was launched in February 2002. Throughout the year, Industry Canada and its partners held 34 regional innovation summits and took part in many expert round tables and sectoral meetings. In all, the views of more than 10,000 Canadians were heard. That exciting and productive process culminated at the National Summit on Innovation and Learning, which brought together more than 500 business, government and academic leaders, as well as representatives from non-governmental organizations.

The Government of Canada is listening to Canadians. During the engagement process many excellent ideas were brought forward and, at the National Summit, were ranked in order of priority. Eighteen items were identified for action over the short term. I want to emphasize, however, that the process being discussed will be fully implemented over a 10-year period and must involve not only the Government of Canada, but all of its partners. Still, we have forged a very good beginning, and I am very encouraged by the positive response of the business and academic communities to the measures taken to date.

The Industry Portfolio's 16 member organizations work in partnership to ensure that Canadians have the support they need to meet the challenges of a rapidly evolving world economy. The cornerstone of all our future activities will be innovation.

Industry Portfolio:

- Atlantic Canada Opportunities Agency
- Business Development Bank of Canada*
- Canada Economic Development for Quebec Regions
- Canadian Space Agency
- Canadian Tourism Commission*
- Competition Tribunal
- Copyright Board Canada
- Enterprise Cape Breton Corporation*
- Industry Canada
- Infrastructure Canada
- National Research Council Canada
- Natural Sciences and Engineering Research Council of Canada
- Social Sciences and Humanities Research Council of Canada
- Standards Council of Canada*
- Statistics Canada
- Western Economic Diversification Canada

*Not required to submit a Report on Plans and Priorities.

It is my great pleasure to present the *Report on Plans and Priorities* for the Atlantic Canada Opportunities Agency, which describes their expected achievements and results over the next three years.

This Report clearly demonstrates that ACOA's consultative, cooperative approach to economic development in the Atlantic provinces will continue. The Agency's clear focus on innovation will guide its efforts to enhance skills among budding and existing entrepreneurs, improve the region's capacity to carry out commercially promising R&D, generate more and better opportunities for trade and export, attract new Foreign Direct Investment to the region, and support rural and community economic development.

We have made great strides forward in working with Canadians through the engagement process for *Canada's Innovation Strategy*. We connected with businesspeople, academics and private citizens in every region of the country. I am confident that this renewed partnership will flourish over the coming year and that the results of our efforts will mean more and better jobs, a stronger and more dynamic economy, and a better quality of life for all Canadians.

The Honourable Allan Rock

Minister of State's Message

Atlantic Canada is a region in transition. Social and economic forces both within and beyond the region's borders are stimulating the growth of new, knowledge-rich industries and promoting innovation in older, traditional ones.

Increasingly, the drivers of the region's productivity and competitiveness – the pillars of long-term prosperity in a barrier-free, global economy – are its ideas, talent and ingenuity. Atlantic Canada's ability to compete in world markets now, more than ever, depends directly on its capacity to innovate productively.

Challenges remain, but it is also clear that the region is becoming more entrepreneurial, technologically sophisticated and export-oriented. Its business owners, managers, educators and community leaders are fast adapting to a competitive global environment.

The Government of Canada, through the Atlantic Canada Opportunities Agency (ACOA), is supporting this transition by investing in tools and resources that cultivate greater innovation, expanded trade, better business opportunities in smaller communities, and more skilled and knowledgeable entrepreneurial enterprises. As such, the Agency is working to build, in partnership with Atlantic Canadians, a welcoming environment for sustainable, innovative, and competitive businesses and communities. Indeed, one need look no further than the tremendous response to the Atlantic Investment Partnership and, specifically, to the Atlantic Innovation Fund, to find evidence of the effectiveness of this approach.

ACOA's balanced mix of investments – in the areas of innovation, trade and investment, entrepreneurship and skills development, and community economic development – builds on the Agency's past successes, and brings new resources and a clearer focus on innovation to existing strategies, priorities and programs.

This report demonstrates that the Government of Canada remains devoted to the long-term economic well-being of the Atlantic provinces. It identifies ACOA's objectives and strategies for supporting the growth of an innovative, productive and competitive regional economy.

The Honourable Gerry Byrne
Minister of State
Atlantic Canada Opportunities Agency

Management Representation Statement

Report on Plans and Priorities 2003-2004

I submit, for tabling in Parliament, the 2003-2004 Report on Plans and Priorities (RPP) for the Atlantic Canada Opportunities Agency.

This document has been prepared based on the reporting principles and disclosure requirements contained in the *Guide to the preparation of the 2003-2004 Report on Plans and Priorities*:

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

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

Name: _____
Dennis Wallace, President
Atlantic Canada Opportunities Agency

Date: _____

Section II – Raison d'être



The Atlantic Canada Opportunities Agency's mission is to work in partnership with the people of Atlantic Canada toward the long-term economic development of the region to provide Canadians with:

- improved growth and competitiveness of Atlantic small and medium-sized enterprises (SMEs), leading to increased productivity, earned incomes and job creation;
- economic opportunities for Atlantic Canada through community economic development; and
- better policies and programs to support and promote growth in the Atlantic economy.

Section III – Planning Overview

The context

The economy of Atlantic Canada has experienced a period of diversification, rapid transition and growth during the past several years, mainly as a result of the modernization of traditional resource sectors such as tourism and forestry, the emergence of new sectors such as call centres and communications, and the start-up of offshore oil and gas production.

Although this is good news on the broad economic front, Atlantic Canada still faces skills, innovation and productivity gaps in comparison with the rest of Canada. Recent research by the Atlantic Provinces Economic Council indicates that, while Atlantic firms are close to the national rate in terms of number of firms innovating and adopting new technology, total business research and development expenditures in Atlantic Canada are relatively low and overall productivity levels are below the national average.

The strategic directions

ACOA operates in this context with a clear set of strategic priorities.

Policy, Advocacy and Co-ordination: This priority touches on, and affects, everything else that ACOA does. It involves the research and analysis required for relevant and effective government action in the region. As such, it seeks to inform and engage ministers, senior management, staff in other government departments, other economic development stakeholders, and the public at large. Research and analysis also underpin advocacy and co-ordination, and program definition and refinement.

New directions for policy are constantly emerging, stimulated by federal policy initiatives, Speeches from the Throne, budget addresses and external sources. In addition to sector-specific research themes, ACOA is involved in horizontal themes. Through its expanding network of partners, ACOA will anticipate and undertake policy research in the critical areas influencing Atlantic Canada, including: cluster formation and promotion; dynamics within and between urban and rural economies; the effects of taxation on economic development; demographic evolution; commercialization of innovation; and sectors such as aquaculture, agri-food, and oil and gas.

Innovation and Technology: Innovative companies are growing companies. Building an environment where more companies can fully participate in, and contribute to, the global, knowledge-based economy is key to Atlantic Canada's long-term competitiveness. The Agency focusses on: improving the region's capacity to carry out leading-edge research and development; facilitating the commercialization of new technologies; helping companies adopt the latest technologies and upgrade their technology skills; and

encouraging partnerships and alliances among private sector firms, universities and research institutions.

Community Economic Development: Given that almost half of Atlantic Canadians live and work in rural communities, the long-term economic well being of these communities is, therefore, vital to the long-term economic well being of Atlantic Canada.

Accordingly, as the arm of the federal government mandated to strengthen the Atlantic economy, the Atlantic Canada Opportunities Agency (ACOA) has made the development of self-sustaining, economically strong communities an Agency priority.

ACOA works with its regional and local partners to foster integrated economic development planning and implementation, support counselling and financial services for entrepreneurs and increase the availability of business capital with the ultimate goal of creating sustainable jobs as well as encouraging community ownership and stewardship in matters of community economic development.

Trade, Tourism and Investment: Trade fuels economic growth, building business opportunities and generating jobs. ACOA works with its partners to increase export activity in Atlantic Canada by focussing on export awareness and training, market information and intelligence, financial assistance for export development, and international business development.

The trade and investment initiative has become more aggressive in seeking both new foreign markets and foreign direct investment, by assembling Trade Team Atlantic Canada and by organizing frequent missions to the United States especially.

Entrepreneurship and Business Skills Development: Nearly 70% of gross employment created by new firms in Atlantic Canada over the last decade was driven by entrepreneurs creating new, small businesses. Activities have revolved largely around creating an entrepreneurial culture and encouraging Atlantic Canadians, particularly young people, to consider entrepreneurship as a viable career.

With the foundation of an entrepreneurial culture emerging, ACOA will be placing new emphasis on creating opportunities for the region's aspiring and existing entrepreneurs to enhance their business skills. ACOA will pursue its enhanced business skills development strategy over the next three years, primarily through three new initiatives: the Innovation Skills Development Initiative, focussing on innovation, research and development capability, technology commercialization and the ability to adopt technologies; the Women in Business Initiative, designed to improve the growth and competitiveness of women-owned businesses and increase their representation in Atlantic Canada's emerging growth sectors; and the Young Entrepreneur Development Initiative, designed to enable more young Atlantic Canadians to develop the attitudes and business skills needed to successfully launch and grow a business.

Access to Capital and Information: Small and medium-sized enterprises are the engines of growth in the Atlantic economy, generating nearly 60% of all new jobs. Therefore,

support for their start-up, expansion and modernization is crucial to the overall health of the Atlantic regional economy.

ACOA's assistance to business is both direct – through funding programs such as the commercial component of the Business Development Program's (BDP) and the commercial elements of the Atlantic Investment Partnership (AIP) – and indirect, through the Strategic Community Investment Fund (SCIF), the Atlantic Innovation Fund (AIF), BDP non-commercial, adjustment programs, Infrastructure Canada and the COOPERATION Agreements. All of these assist Atlantic Canadian communities, their business development organizations and commercial and industrial infrastructure to plan and implement their own visions for long-term, self-sustaining economic activity.

Stakeholders and strategic relationships

ACOA receives a positive performance rating from its primary stakeholders. The Atlantic business community considers ACOA to be the “single most important” government department or agency “in terms of helping to improve the economy.” (*ACOA 2002 Communications Research*, Corporate Research Associates, Halifax). Results from this research also demonstrate that 67% of respondents in the Atlantic business community believe that ACOA has been somewhat or very successful in meeting its mandate. Seventy seven percent of economic development stakeholders in Atlantic Canada (including Boards of Trade, economic development organizations, the provincial governments, etc.) report that ACOA has been generally or very helpful to their organizations in their “efforts to promote economic development.”

The Agency maintains further strategic relationships through its involvement in horizontal governance. ACOA officials exercise strong leadership in the Regional Councils of Senior Federal Officials in the Atlantic provinces. Other horizontal initiatives residing within or involving direct partnerships with other federal departments include the Canadian Rural Partnership, initiatives to promote Aboriginal economic development and initiatives under the *Official Languages Act*.

Challenges

In a diversified region such as Atlantic Canada, challenges vary from province to province. There will be continuing challenges for ACOA in New Brunswick over the next several years to work with industry to develop new markets that complement those in the United States. As demonstrated for both the forestry and aquaculture sectors in the past year, dependency on a single market can have devastating effects on a sector should the market go through an adjustment period. New Brunswick needs to diversify markets to protect against this type of fluctuation in the future. Key to export growth and diversification will be improved business skills, increased competitiveness through production improvements and the adoption of innovative practices. Labour market

difficulties continue to be a problem in the province. There are still pockets of high unemployment, especially in resource-based rural regions, that are worsening as some sectors suffer slowdowns and large businesses in mining and forestry close down. At the same time, there are shortages in certain technical professions that make it difficult for some companies to grow beyond current capacity.

In Newfoundland and Labrador, the major economic challenge is dealing with the continuing decline in population, particularly of rural youth, and the dichotomy between the economic opportunities in rural and urban areas. The failure of some fish stocks to rebuild has compounded the problem. The Province must continue to promote successful industries such as marine, tourism and advanced technology, while working to diversify resource-based industries and increase local benefits, particularly from oil and gas and the Voisey's Bay nickel development. The economic opportunities from oil and gas and the knowledge-based economy tend to be urban, and are particularly concentrated in St. John's.

Prince Edward Island's main challenges in promoting business growth are: to achieve further economic diversification through cluster developments in the bio-resource, aerospace and industry technology sectors; to enhance sustainability in the traditional sectors; to strengthen the scientific and technical base of the province through skills development and training; and to ensure that value-added goods and services compete successfully in the international market.

Nova Scotia faces the challenges of raising the capacity and capability for research and development in order to become a more innovative economy. Partnering is critical, in particular, to translate the results of R&D into commercial opportunities and uses. Increases in the rate of technology adoption and skills development need to be made to improve productivity.

Provincial economic growth has tended to concentrate in the greater Halifax area, posing a challenge for rural areas. Responding to the urban agenda – ensuring that the needs, opportunities and capacities of medium-sized regional cities are addressed while not neglecting rural areas – will be a challenge in Nova Scotia.

In recent years, rural areas have expressed concerns about declining government presence and feelings of detachment, which are made worse by infrastructural deficiencies including transportation challenges.

There are many challenges facing individuals and organizations involved in community-based economic development in Atlantic Canada, ranging from financing small and medium-sized enterprises at the community level to building partnerships and strong local infrastructure, particularly a communications and information infrastructure.

The Internet, as an open and interactive system, binds community and marketplace. The challenge for communities, including business in communities, is to build an “on-ramp”

to the Internet in order to realize its vast e-business potential and connection to local and global markets.

Community economic development is a powerful force for energizing individuals and organizations. However, once energized, challenges remain such as ensuring the benefits of emerging sectors (e.g. off-shore oil and gas) are dispersed thorough the Atlantic provinces and traditional, rural-based industries adopt more innovative business practices to raise productivity levels.

Section IV – Plans and Priorities by Strategic Outcomes

The following table identifies the strategic outcomes and associated priorities that are addressed in the following details section.

Summary

Strategic Outcomes	ACOA's Strategic Priority*
<ul style="list-style-type: none"> Increased regional capacity to carry out leading edge R&D, enhanced capacity for commercialization of new technologies, more opportunities for technology skills development, increased acquisition of new technologies by SMEs and partnerships and alliances among private sector firms, universities and research institutions. 	<ul style="list-style-type: none"> Innovation
<ul style="list-style-type: none"> Self-sustaining, economically viable communities supported through the development and implementation of strategic and operational plans. Expanded access to government business services in the areas of financing, counselling and information. Communities' self-development and alternate employment in areas affected by the closure of resource-based industries or wind-down of large projects. 	<ul style="list-style-type: none"> Community Economic Development
<ul style="list-style-type: none"> Increased opportunities for Atlantic Canadians to develop the motivation and business skills required to start and successfully grow their own business. 	<ul style="list-style-type: none"> Entrepreneurship and Business Skills Development
<ul style="list-style-type: none"> Increased export performance of the Atlantic region, enhanced capabilities of SMEs to initiate and expand export activity. 	<ul style="list-style-type: none"> Trade
<ul style="list-style-type: none"> Increased Foreign Direct Investment in Atlantic Canada. 	<ul style="list-style-type: none"> Investment
<ul style="list-style-type: none"> Increased profitability, investment and wages in the tourism sector resulting from higher quality, in-demand products that operate over longer seasons. 	<ul style="list-style-type: none"> Tourism
<ul style="list-style-type: none"> Employment, new business start-ups and expansion projects as a result of access to capital and information for Atlantic SMEs. 	<ul style="list-style-type: none"> Access to Capital and Information
<ul style="list-style-type: none"> Policy and program activities that support and promote improved competitiveness in the Atlantic economy, including research and analysis, co-ordination of the relevant development activities of other stakeholders, and advocacy of Atlantic Canada's interests in national decisions. 	<ul style="list-style-type: none"> Policy, Advocacy and Co-ordination
* Priorities are further described in the details section.	
Strategic Outcome	Delivered by:
<ul style="list-style-type: none"> Efficiently and effectively managed resources and administrative systems and services in place to support management decision-making, accountability and operational control. 	<ul style="list-style-type: none"> Corporate Administration

Details

Strategic Outcome:

Increased regional capacity to carry out leading-edge R&D, enhanced capacity for commercialization of new technologies, more opportunities for technology skills development, increased acquisition of new technologies by SMEs, and partnerships and alliances among private sector firms, universities and research institutions.

Supported by ACOA's Strategic Priority: Innovation¹

<i>Resources: (millions)</i>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>
	\$126.2	\$121.9	\$128.5
Plans, Priorities and Expected Results			
<p>Plans: Increase activity in, and build capacity for, innovation and R&D leading to new technologies, products, processes or services that contribute to economic growth in Atlantic Canada.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • New partnerships for technology development and commercialization - 30 per year. • Strengthened strategic sectors/clusters (e.g. aquaculture, ocean industries, biotechnology, information technology) – four sectors/clusters per year. • Strengthened innovation system linkages through support to strategic technology networks – two per year. • Strengthened technology development that allows resource sectors to increase their competitiveness – two sectors. 			
<p>Plans: Improve SME access to risk-oriented financing for innovation projects, thus increasing the capacity for commercialization of R&D outputs.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • New products and processes commercialized – 45 per year. • Start-ups of technology based SMEs – six per year. 			
<p>Plans: Encourage and assist Atlantic SMEs to acquire enabling e-commerce technologies and associated knowledge to increase the level of transactions.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Increased awareness and use of e-commerce by SMEs in Atlantic Canada by hosting 12 e-commerce training sessions. • 32 one-on-one consultations with SMEs on e-business, capacity building and exporting. 			

¹ Improving business skills initiatives that support the Innovation Strategic Priority can also be found under ACOA's strategic priority Entrepreneurship and Business Skills Development.

Plans: Improve the awareness and implementation of commercialization and technology development processes at the SME, academic and institutional level by developing innovation partnerships and by hosting awareness sessions and commercialization sessions targeting SMEs, government and university research institute participants.

Status: New Emphasis

Results/Targets:

- 15 innovation awareness sessions targeting 180 participants.
- 7 advanced innovation sessions.

Monitoring: Targeted results are established for clients and assessed through client monitoring.

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

Strategic Outcome:

Self-sustaining, economically viable communities supported through the development and implementation of strategic and operational plans.

Supported by ACOA’s Strategic Priority: Community Economic Development

<i>Resources: (millions)</i>	<u>2003-2004</u> \$80.3	<u>2004-2005</u> \$73.9	<u>2005-2006</u> \$67.6
Plans, Priorities and Expected Results			
<p>Plans: Strengthen community planning and development through increased use of strategic community planning tools.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • A stronger community strategic planning process and economic base to be achieved by using tools such as the new Strategic Community Investment Fund (SCIF), Community Business Development Corporations (41 Corporations), Regional Economic Development Organizations (52 Organizations) and other federal and provincial partners. • Enhance collaboration with partners through the integration of labour force development initiatives into the planning process. • 350 loans per year to young entrepreneurs through continued support from the Seed Capital ConneXion Program for Young Entrepreneurs. • Support to the development of business in Black communities in Nova Scotia through support for the Black Business Initiative. • Foster the planning and implementation of Information Technology (IT) projects done primarily by the Regional Economic Development Organizations. • Increase community economic viability through projects supported under the Strategic Community Investment Fund. 			
<p>Monitoring:</p> <ul style="list-style-type: none"> • Tracking individual community strategic plans: in New Brunswick, for example, each of the 15 Regional Economic Development Organizations has a current priority to establish a three-year plan by 2003-2004. • Measuring program take-up through delivery agents. • Economic viability will be measured through program take-up considered in the context of regional strategic plans. 			

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

Strategic Outcome:

Expanded access to government business services in the areas of financing, counselling and information.

Supported by ACOA's Strategic Priority: Community Economic Development

Plans, Priorities and Expected Results
<p>Plans: Expand outreach to potential business clients through the availability of timely and useful information and the provision of assistance to prepare business and project plans.</p> <p style="text-align: right;">Status: Ongoing</p>
<p>Results/Targets:</p> <ul style="list-style-type: none">• Develop new information products/tools and strengthen information networks/partnerships to facilitate broader access to government business information and services through such activities as integration of electronic on-site libraries and increased use of electronic tools.• Through 11 points of contact in New Brunswick, ACOA will provide counselling services to clients to assist in the process of community economic and client development. Annually, 4,500 interventions are targeted (an intervention is an interaction with a client that would contribute to advancing their business development and success).• ACOA in Nova Scotia will work to integrate service to rural communities with partner organizations through increasing co-location of offices and formal and informal partnership networks. A joint project with Human Resources Development Canada will pilot integrated delivery of programs and services of both organizations to young entrepreneurs.• The 42 access points of the Aboriginal Business Service Network (ABSN) in Atlantic Canada will be strengthened through improving collaboration with the Atlantic ABSN Working Committee, and developing specific information products. These will include a regional Web site and additional training in order to more fully address Aboriginal business information needs.• Canada Business Service Centres (CBSCs) in Atlantic Canada will continue to review their partnership arrangements with external organizations. Some partnerships have already been renewed and strengthened, or, in some cases, transferred to a partner with a more direct fit. These ongoing changes provide more direct access to government business information and services at locations closer to "home" for the business community.
<p>Plans: Increase the number of loans and resultant jobs created and maintained in rural areas as a result of SME counselling and financing services by Community Business Development Corporations (CBDCs).</p> <p style="text-align: right;">Status: Ongoing</p>
<p>Results/Targets:</p> <ul style="list-style-type: none">• Help create 1,200 new jobs and maintain approximately 2,500 jobs in rural areas through the issuance of approximately 1,040 new loans per year by CBDCs.• Approximately 10,500 enquiries and information requests and counselling sessions per year provided by CBDCs.

Monitoring: Information products are continually evolving to meet client needs, and ongoing client interventions provide the means to introduce enhancements. In the example of New Brunswick interventions, these will be tracked as they occur.

Regularly scheduled reporting systems track activities of CBDCs throughout the region and confirm the accuracy of past and current targets.

More information on Community Business Development Corporations may be found at:

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

More information on Canada Business Service Centres may be found at:

<http://www.cbdc.org/>

Strategic Outcome:

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

Supported by ACOA's Strategic Priority: Community Economic Development

Plans, Priorities and Expected Results
<p>Plans: Facilitate alternate and replacement economic opportunities in communities that experience closure of significant employers within a geographic area by assisting communities in planning and strategy development.</p> <p style="text-align: right;">Status: New Emphasis</p>
<p>Results/Targets:</p> <ul style="list-style-type: none">• Working with the community and economic development partners in Northeast New Brunswick region to implement a targeted SME development initiative with SMEs affected by the pending closure of the Brunswick Mine. Based on initial surveys of 60 affected companies, business planning services and support will be provided to those companies interested in further developing new products and new markets.• Assist communities in crisis, such as Canso in Nova Scotia, where traditional resource-based economies have severely declined. The Agency will work with such communities to develop leadership as well as plan and implement initiatives to diversify the economic base.• Proactive support for the development of the shellfish aquaculture sector in New Brunswick through areas such as research and development, marketing, access to capital, export development and technology development.• Sustainable SME and job creation in areas other than the traditional fish harvesting and processing.
<p>Monitoring: Working from underlying strengths of the communities, through a broad engagement philosophy, ACOA will strive to support communities experiencing economic upheavals. Monitoring will come more as a result of involvement in the planning and subsequent steps.</p>

Strategic Outcome:

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

Supported by ACOA's Strategic Priority: Entrepreneurship and Business Skills Development

<i>Resources:</i> (millions)	<u>2003-2004</u> \$29.7	<u>2004-2005</u> \$24.8	<u>2005-2006</u> \$29.7
Plans, Priorities and Expected Results			
<p>Plans: Increase awareness of entrepreneurship as a career option, particularly among young Atlantic Canadians, to be achieved primarily by using various media to present entrepreneurial role models. As well, continue to support opportunities for Atlantic Canadians to learn about entrepreneurship and ensure access to business advisory and support services.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Encourage entrepreneurship by exposing a minimum of 50% of 15-29 year olds in Atlantic Canada to entrepreneurial role models through use of media such as television and the Internet. • Support informed decision-making about entrepreneurship as a viable career by ensuring that all high school guidance counsellors have the information they need to properly advise students about entrepreneurship. • Encourage business practices that respect the principles of sustainable economic development by widely distributing profiles of entrepreneurs whose businesses are respectful of the environment. • Contribute to business survival and growth rates by providing opportunities for at least 1,200 Atlantic Canadians per year to participate in business skills development workshops and seminars. 			
<p>Plans: Provide enhanced opportunities for Atlantic Canadian entrepreneurs to continue to improve their business skills. This will be achieved over the next three years through the implementation of three new programs: the Innovation Skills Development Initiative (ISDI), the Women in Business Initiative (WBI), and the Young Entrepreneur Development Initiative (YEDI).</p> <p style="text-align: right;">Status: New Emphasis</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • ISDI: Assist approximately 200 firms over the next three years to train existing staff and recruit experts, experienced managers and skilled graduates. • WBI: Assist approximately 1,000 women business owners over the next three years to strengthen their management capabilities and business development skills. • YEDI: Involve approximately 3,000 young people over the next three years in activities and programs designed to develop the attitudes and business skills needed to successfully launch and grow a business. 			

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

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

Strategic Outcome:

Increased export performance of the Atlantic region; enhanced capabilities of SMEs to initiate and expand export activity.

Supported by ACOA’s Strategic Priority: Trade

<i>Resources:</i> (millions)	<u>2003-2004</u> \$33.7	<u>2004-2005</u> \$31.6	<u>2005-2006</u> \$30.3
Plans, Priorities and Expected Results			
<p>Plans: Provide regional trade information and support awareness of exporting as a growth option to Atlantic Canadian firms through trade awareness sessions, one-on-one counselling, conferences, seminars, and trade mentoring/coaching programs.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Assist 300 potential exporters in committing to exporting and meeting basic export readiness/skills requirements. • Assist 80 SMEs in becoming new (first-time) exporters. 			
<p>Plans: Develop a larger Atlantic Canadian pool of skilled and experienced trade specialists, as well as more qualified trade graduates of Atlantic universities/colleges employed in the region. This will be achieved through initiatives such as the Export Partnering Program and the Export Internship for Trade Graduates.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Enable 20 trade graduates to gain practical work experience through internships with firms that are new and/or existing exporters. • Enable 20 students to gain first-hand international trade experience through participation in the development of research and export marketing plans for firms that are new and/or existing exporters. 			
<p>Plans: Promote export development partnerships, consensus and “clusters of capability” in sectors/sub-sectors with significant export potential, and provide blueprints that are used successfully for export development in both knowledge-based and value-added resource industries.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Engage industry associations in the development and/or implementation of three sector export strategies (for example, the Newfoundland and Labrador boat building industry). 			
<p>Plans: Initiate and expand export activity in selected international markets through the organization of missions, complemented by dissemination of trade research and sector/market information through seminars and conferences.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Provide 100 existing exporters with necessary information and skills to expand their export activity. • Assist 40 existing exporters in successfully securing new export markets. 			

Monitoring: Monitoring will include such measures as the number of firms participating in trade awareness sessions and trade mentoring/coaching programs. The tracking of the number of first-time and existing exporters attaining new markets through ACOA-supported projects will be monitored through mechanisms such as the annual IBDA survey, the post-Team Canada Atlantic Mission Survey and the BDP first-time exporters survey.

More information on trade may be found on ACOA's Web site at:

<http://www.acoa-apec.ca/e/business/index.shtml>

Strategic Outcome:
Increased Foreign Direct Investment (FDI) in Atlantic Canada.

Supported by ACOA's Strategic Priority: Investment

<i>Resources:</i> (millions)	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>
	\$4.1	\$3.8	\$3.8
Plans, Priorities and Expected Results			
<p>Plans: Foreign direct investment intelligence, generation of investment leads, and greater regional awareness by strengthening investment partnerships.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Initiation of pan-Atlantic investment research and establishment of an FDI database. • Advocacy and liaison with Investment Partnerships Canada and Department of Foreign Affairs and International Trade. • Subscription to various competitive intelligence databases. • Greater co-operation between Industry Canada, the Provinces and ACOA in investment promotion and research through the Pan-Atlantic Investment Co-ordination Committee. • Participation in various conferences and missions (e.g. CoreNet, Team Canada Atlantic, World Investment Summits). 			
<p>Plans: Develop and provide general information about the region as a prospective investment site and profile the region as part of investment missions.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Engage in joint pan-Atlantic investment activities such as familiarization tours for site selectors/business editors and investment conferences/missions. • Develop an ACOA investment Web site to provide information for site selectors/corporate investors. • Provide timely intelligence and investment products to industry associations, federal and provincial partners. • Develop a media campaign on the region's cost advantages – advertisements to be placed in targeted U.S. and European site selector and sector magazines. • Production of information/awareness materials (e.g. Atlantic Canada Business Environment Profile, sector specific e-business CD cards) for distribution to partners and contacts. 			
<p>Monitoring: Progress indicators such as new investment contacts and leads generated by tours, missions, and conferences will be tracked. In addition, the number of contacts involved in mass mail-outs will be tracked.</p>			

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

Strategic Outcome:

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

Supported by ACOA’s Strategic Priority: Tourism

<i>Resources: (millions)</i>	<u>2003-2004</u> \$39.7	<u>2004-2005</u> \$34.0	<u>2005-2006</u> \$33.5
Plans, Priorities and Expected Results			
<p>Plans: Increase investment in, and development of, strategic tourism products, services, experiences and geographic areas by: administering the Bouctouche sustainable tourism communities model and mentoring program to candidate tourism communities; co-ordinating best practice missions that empower tourism operators with the knowledge required to develop in-demand, quality tourism products, services and experiences; and working strategically with sub-sector tourism product groupings.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Deliver the Bouctouche model to eight new tourism communities and mentoring programs to ten tourism communities. • Deliver ten new “best practices” missions to be attended by 120 industry and Destination Marketing Organization representatives from Atlantic Canada. • Develop strategic public and private sector partnerships to generate five new streams of high quality, niche tourism products and experiences. 			
<p>Plans: Conversion from traditional, resource-based, consumptive tourism practices to business and communities demonstrating non-consumptive and sustainable tourism practices by: working with federal/provincial partners to develop priority projects; communicating the need to focus on the quality and sustainability of the product; and providing infrastructure assistance to strategic tourism businesses.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Form strategic partnerships to bring a co-ordinated, federal approach to tourism development in Atlantic Canada. • Host four Tourism Working Group meetings attended by federal/provincial representatives to exchange information and bring a co-ordinated regional approach to product development, tourism policy and program co-ordination. 			
<p>Plans: Increase tourism-related activity in Atlantic Canada by: forming strategic partnerships to bring a co-ordinated, regional approach to marketing the Atlantic Region in export markets; developing and marketing new, off-season tourism products; and providing leadership in the areas of brand development and brand marketing.</p> <p style="text-align: right;">Status: Ongoing</p>			

Results/Targets:

- Atlantic Canada Tourism Partnership project that generates a 10:1 return-on-investment in U.S. markets and a 5:1 return-on-investment in Japanese, U.K. and German markets.
- A new generation of themed, interactive, off-season tourism products.
- Assist six industry sub-sectors to develop and promote in demand, market-ready tourism products and experiences.

Plans: More effective use of federal, provincial and private sector financial resources by: informing tourism businesses and lenders about highest productivity tourism products, strategic investment areas and emerging opportunities in tourism; and by forming strategic planning partnerships with federal and provincial governments, industry groups, industry associations, etc.

Status: Ongoing

Results/Targets:

- More effective use of federal, provincial and private sector financial resources by: informing tourism business lenders about highest productivity tourism products, strategic investment areas and emerging opportunities in tourism; and by forming strategic planning partnerships with federal and provincial governments, industry groups, industry associations, etc.

Monitoring: Internal benefits monitoring; conversion studies; satisfaction surveys; post project surveys; post project evaluations.

Strategic Outcome:

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

Supported by ACOA's Strategic Priority: Access to Capital and Information

<i>Resources:</i> <i>(millions)</i>	<u>2003-2004</u> \$48.5	<u>2004-2005</u> \$47.4	<u>2005-2006</u> \$46.3
Plans, Priorities and Expected Results			
Plans: Assist SMEs in Atlantic Canada to help them create and maintain jobs by providing capital assistance. <p style="text-align: right;">Status: Ongoing</p>			
Results/Targets: <ul style="list-style-type: none">• Through the Business Development Program, invest in approximately 400 Atlantic SMEs annually.			
Plans: Explore various options to identify and satisfy access to capital issues including other sources of public and private capital. <p style="text-align: right;">Status: New Priority</p>			
Results/Targets: <ul style="list-style-type: none">• Undertake to review the recommendations flowing from the Microcredit Review and the Junior Capital Pool formation, both reports scheduled to be released in 2003.			
Monitoring: The Agency will continue to monitor client projects on a regular basis for two reasons. The first reason is for repayment purposes and consists of reviews of clients' financial statements. The second reason is to monitor expected results from projects such as employment numbers, increased export sales and wages and salaries.			

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

Strategic Outcome:

Policy and program activities that support and promote improved competitiveness in the Atlantic economy, including research and analysis, co-ordination of the relevant development activities of other stakeholders, and advocacy of Atlantic Canada’s interests in national decisions.

ACOA’s Strategic Priority: Policy, Advocacy and Co-ordination

<i>Resources:</i> (millions)	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>
	\$8.3	\$8.3	\$8.2
Plans, Priorities and Expected Results			
<p>Plans: Sponsorship of policy research projects and associated activities, including consultation and engagement with interested parties, while undertaking internal research and analytical exercises targeting strategic priorities and emerging policy areas.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Better understanding of the Atlantic economy. • Better ability to develop policies to design or improve programs. • Enhanced capacity for policy research in Atlantic Canada. 			
<p>Plans: Effective defence of Atlantic Canada’s interests and promotion of the Atlantic economy by influencing national decisions.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Better understanding of Atlantic positions in national decision-making. • National policies and programs that better reflect Atlantic circumstances. • Tangible benefits for Atlantic Canada in national procurement. 			
<p>Plans: Co-ordination of PAC activities within ACOA, between federal departments in Atlantic Canada, and with provincial governments in Atlantic Canada.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Identify areas of joint strategic interest. • Develop common and/or compatible and/or complementary positions on defined issues. • Develop strategic initiatives that reflect commonly held positions on defined issues. 			
<p>Monitoring:</p> <ul style="list-style-type: none"> • Research reports and papers finalized, and follow-up projects identified and launched. • Quarterly report of research activities. • Materials presented at meetings (e.g. decks, papers). 			

Strategic Outcome:

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

Supported by ACOA's Business Line: Corporate Administration

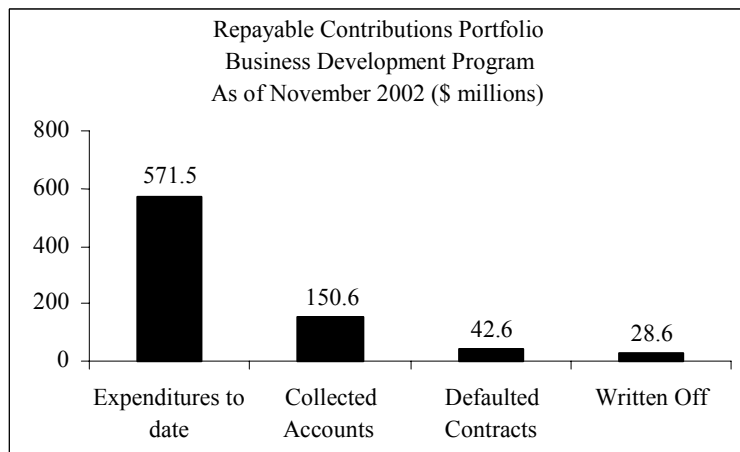
<i>Resources: (millions)</i>	<u>2003-2004</u> \$21.0	<u>2004-2005</u> \$21.0	<u>2005-2006</u> \$21.0
Plans, Priorities and Expected Results			
<p>Plans: Continuous improvement in the provision of timely and quality corporate administrative services and in the promotion of sound management practices, including modern comptrollership, grants and contributions, contracting accountability and human resources planning.</p> <p style="text-align: right;">Status: Ongoing</p>			
<p>Results/Targets:</p> <ul style="list-style-type: none"> • Continued awareness and understanding of ACOA's rationale, programs and services among both the general public and the Agency's key stakeholders. • Through the use of Web technology and service transformation, continue to increase the availability of corporate information, integrate program management and finance reporting systems, and ready key service systems for on-line delivery. • Sustained efforts toward becoming an employer of choice by reviewing and modernizing leadership and employee development programs, promoting employment equity and implementing the continuous learning policy. • Provide information as an aid to decision-making and strategic management and, ultimately, program improvement and organizational learning through fair, reliable, valid and understandable internal audits and evaluations. Follow-up on the Office of the Auditor General reports pertaining to Agency activities. Information on ACOA's reviews and audits may be found on the Agency's Web site at: http://www.acoa-apeca.gc.ca/e/library/audit.shtml • Review Agency activities to realign with priorities as stated in the Speech from the Throne. This would include possible transfers to increase operating resources so that priorities are adequately resourced. • In the next three years, implementation of the Modern Business Management Initiative Action Plan and a follow-up assessment to identify areas requiring further attention. More information on Modern Comptrollership may be found at: http://www.tbs-sct.gc.ca/cmo_mfc/ and on ACOA's Web site at: http://www.acoa-apeca.gc.ca/e/library/parliament.shtml 			

Business Development Program Repayable Portfolio

Description

Under the Business Development Program (BDP), ACOA provides interest-free, unsecured loans to SMEs to help them start-up, expand, improve productivity, develop new markets or undertake other growth-oriented activities. Commercial assistance is repayable over an average repayment term of five to seven years. From inception of the BDP in 1995 until November 2002, the Agency collected \$150.6 million of repayable contributions. The Agency has collected approximately 80% of forecast scheduled repayment on an annual basis for the past two years. Approximately 15% of those forecast revenues end up being rescheduled to future years, and approximately 5% represent defaulted contracts and write-offs. The collection of repayable contributions under BDP is expected to total at least \$44.8 million in 2003-2004.

The chart below gives a picture of the BDP Repayable Contributions Portfolio. Under this program, full repayment of commercial assistance has been in effect since 1995. The cumulative rate of defaulted contracts and write-offs since 1995 is 12% (\$71.2 million of a total \$571.5 million). Over the past four years, the average annual combined default and write-off rate was 4.3% (4.8% in fiscal year 2001-2002). It is anticipated that the Agency will write off approximately \$18 million in 2003-2004.



Risk Mix

The planned risk mix for the period 2003-2004 is:

<i>Risk Rating</i>	<i>Current</i>	<i>Anticipated Mix</i>
<i>Low</i>	<i>14%</i>	<i>10%</i>
<i>Low-Medium</i>	<i>29%</i>	<i>25%</i>
<i>Medium</i>	<i>35%</i>	<i>35%</i>
<i>Medium-High</i>	<i>16%</i>	<i>25%</i>
<i>High</i>	<i>6%</i>	<i>5%</i>

The evaluation of the BDP suggests that the Agency may have drifted towards more capital asset based lending. The current lower-risk type of lending is likely to result in less incremental impact. Hence “incrementality” and “need” will be given increased emphasis in the due diligence process. This, in turn, will lead to a slightly high risk-mix for the receivables. For more information on repayable contributions, see the following Web site: <http://www.acoa-apeco.gc.ca/e/financial/repayable/index.shtml>.

Horizontal Issues

Government of Canada's Rural Policy

The Government of Canada's Rural Policy is one of the biggest, current horizontal initiatives. It is particularly relevant in Atlantic Canada in light of the fact that a larger proportion of the region's population is rural than is the case for the nation as a whole. ACOA has supported this rural policy and provides chairs for Rural Teams in each province.

Many rural communities face particular economic development challenges, and ACOA has a lengthy tradition of supporting entrepreneurs in these communities. This support is not only direct, through the Business Development Program, for example, but indirect through the Canada Business Development Corporations, located in the rural communities, and through help provided to local economic development bodies preparing strategic economic plans. ACOA has also sponsored research in an effort to better understand some of the challenges rural communities face, such as examining the reasons and motivations that youth stay or leave and the impact of technology on remote communities.

The Canadian Rural Partnership is a horizontal initiative involving 30 departments and agencies. It was originally established in 1998 for a period of four years and was renewed in June 2002 for a further five-year period. Some Atlantic Rural Team activities are as follows:

- Rural Team Newfoundland and Labrador will continue to be a successful vehicle for information-sharing and dialogue among key federal and provincial government departments and agencies on issues of relevance to rural areas of the province.
- Prince Edward Island's Rural Team is developing a unique partnership with the Federal Council, with the Chair of the Rural Team sitting as a member of the Council. Prince Edward Island's Rural Team will also sponsor local youth to participate in the National Youth Forum in Ontario in 2003, and will continue a research project to profile rural Prince Edward Island.
- The Nova Scotia Rural Team has successfully translated itself from a government body to a government-community team. This team has identified a number of action priorities including: revitalize the rural volunteer sector through innovation and skills development; conduct community-level dialogues to engage rural citizens, particularly Aboriginals, African Nova Scotians and youth; and advocate rural issues and realities within government.
- Rural Team New Brunswick has identified a role to provide greater access to broadband infrastructure in rural and Aboriginal communities in 2003-2004.

Aboriginal Economic Development

The responsibility for Aboriginal economic development is a responsibility shared with other federal government department such as Indian and Northern Affairs Canada, Fisheries and Oceans Canada, Aboriginal Business Canada, and Human Resources Development Canada. Aboriginal economic development is an area where ACOA can make progress by identifying opportunities and developing a more consistent team-like approach. With the exception of the Aboriginal Economic Development Fund, a New Brunswick-specific federal/provincial program, ACOA does not have programs specifically targeted toward Aboriginal applicants. Existing programs have sufficient flexibility to accommodate any conceivable Aboriginal development initiative. The Agency has the ability not only to invest in Aboriginal businesses and communities, but to invest in those priority areas identified by Aboriginal business owners themselves: development of management skills; improvements to productivity; expansion of markets; innovation; and financing.

With respect to the Aboriginal Business Service Network (ABSN), ACOA's approach has been to deliver this initiative as a component of the Canada Business Service Centres' (CBSCs') regionalization initiative. The plan called for the establishment of 42 ABSN sites in Atlantic Canada: 31 reserves; 6 Innu, Inuit and Métis communities in Labrador; 4 Native Friendship Centres (one in each province - to serve off-reserve Aboriginals); and one with Ulnooweg Development Group Inc. (Atlantic Canada's only Aboriginal Capital Corporation). ACOA committed to purchase and install a public access computer and related peripheral equipment, to provide computer literacy training and training on CBSC services, including its general and Aboriginal-specific information holdings/content, and to purchase and install a small business library at each ABSN site. To date, 41 of 42 sites are fully operational and training is underway. ACOA sees this as an important initiative in the ongoing efforts to encourage Aboriginal economic development.

In New Brunswick, the Joint Economic Development Initiative (JEDI) provides a forum for federal, provincial and Aboriginal governments/ organizations/groups/individuals to discuss, develop and promote initiatives which will foster economic development in Aboriginal communities. Participants of JEDI include: senior officials from a number of provincial and federal departments; Chief of First Nation communities; leaders of provincial Aboriginal organizations; Economic Development Officers from Aboriginal communities; and interested Aboriginal individuals. All participants are committed to enhancing economic development within Aboriginal communities, both on and off reserves.

In Nova Scotia, a tripartite agreement has been signed between the Aboriginal community, the Government of Canada and the Province of Nova Scotia.

Under the agreement, a sub-committee on economic development is in place, and this group places a strong emphasis on youth entrepreneurship and the need to examine the constraints to business and economic development in native communities.

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

International Business Development Agreement (IBDA)

The Canada/Atlantic Provinces COOPERATION Agreement on International Business Development (IBDA) is currently operating under its second extension with the objective to continue to harmonize federal and provincial activities in international business development.

IBDA Summary				
Collective Initiative	Objective	List of Partners	Money Allocated by Partners (\$ millions)	Planned Results
Canada/Atlantic Provinces COOPERATION Agreement on International Business Development (2000-2001 to 2005-2006)	Increased numbers of new exporters, and new markets for existing exporters, and increased export sales.	<ul style="list-style-type: none"> › ACOA › Business New Brunswick › Nova Scotia Business Inc. › NL Department of Industry, Trade and Rural Development › PEI Business Development Inc. › Department of Foreign Affairs & International Trade › Industry Canada 	<ul style="list-style-type: none"> › \$5.6 › \$0.9 › \$0.9 › \$0.4 › \$0.2 › 0 › 0 	<ul style="list-style-type: none"> › 150 new exporters › 100 new markets for existing/new exporters › 200 exporters increasing their sales
		Total:	\$8.0	

Brand Canada Pilot Project

The Department of Foreign Affairs and International Trade, on behalf of Team Canada Inc. members, was allocated a budget of \$9 million over three fiscal years (2002-2004) for the Brand Canada initiative. The project's specific strategic objectives are to raise the profile and improve the image of Canada internationally at key trade shows, commensurate with the standards of our competitors, and to ensure that perceptions of foreign investors "catch up" to the reality of Canada's performance.

The Brand Canada Pilot Project, a survey of 100 selected senior U.S. executives located in Boston and Dallas with the objective to gain a clear understanding of the current issues affecting foreign direct investment location decisions, was completed in 2001-2002. Results show that opinions of Canada as an foreign direct investment location came out reasonably well. Atlantic Canada, however, was less familiar to investors.

In an effort to increase the awareness of Atlantic Canada as an attractive location for trade and foreign direct investment among investors, the Agency has developed a number of marketing tools and initiatives. For example, ACOA has developed a Team Canada Atlantic (TCA) mission concept. TCA is a co-operative effort between the four Atlantic provinces and the Government of Canada designed to optimize export and trade development on a pan-Atlantic scale. The TCA trade mission concept consists of the recruitment of up to 40 companies (10 from each Atlantic province) and the contracted services of a matchmaker to arrange approximately six meetings for each company over a three-day period. The missions are multi-sector trade and investment missions, targeting selected markets in the United States and Europe. This approach has permitted the region and its companies to benefit from the efficiencies and impact of a pan-Atlantic approach to the development of key markets and increase economic development for Atlantic Canada.

Furthermore, ACOA has implemented the Pan-Atlantic Investment Co-ordination Committee. The committee, which is co-chaired by the Agency, includes the provincial directors of investment and was established to foster co-operation and coordination in the area of foreign direct investment development within the region.

The Agency has developed a media campaign of investment promotion advertisements to be placed in selected U.S. and European site selector and sector magazines. As well, an Atlantic Canada Business Environment Profile and sector-specific e-business CD cards for distribution to investment partners and key contacts are in production.

Infrastructure Canada

In Budget 2000, the Government of Canada announced funding for \$2.05 billion nationally over five years for: water and wastewater systems; water management; solid waste management; and recycling. The allocation formula is similar to the one used in the last Infrastructure Program, being a weighted combination of population and unemployment.

The Atlantic Region's share of \$183.7 million (approximately 9% of the \$2.05 billion) is broken down as follows:

	(\$ millions)
Newfoundland and Labrador	\$ 51.2
Prince Edward Island	\$ 12.8
Nova Scotia	\$ 65.3
New Brunswick	<u>\$ 54.4</u>
TOTAL	\$183.7

The intent is that this program will again seek equitable participation from provincial and municipal levels of government. Thus, the total Atlantic investment is expected to be \$550 million over five years.

Green Municipal Infrastructure has been identified as a priority and agreements identify an investment target for green projects. This is essentially water and wastewater systems, water management, solid waste management and recycling. The target is set at 70% in New Brunswick and 60% in the other three Atlantic provinces. Rural investment targets have also been established: Nova Scotia 39%; New Brunswick 40%; Prince Edward Island 46%; and Newfoundland and Labrador 56%.

Several new infrastructure initiatives have recently been announced. Budget 2000 identified \$600 million for the National Highway System infrastructure improvements. Budget 2001 provided \$2 billion for the development of the Canada Strategic Infrastructure Fund to address the need for cost-sharing large, strategic-based infrastructure projects that do not overlap areas covered by existing infrastructure programs. This program will be managed and delivered by Infrastructure Canada with regional agencies providing logistical support through a formal Memorandum of Understanding. Finally, Budget 2001 provided an additional \$600 million for the establishment of the Border Infrastructure Fund to address improvement and security requirements at Canada's busiest border crossings to the United States.

Federal Regional Councils

ACOA's regional Vice-Presidents chair Federal Councils in each province. These Councils bring together senior officials of federal departments and agencies, and play an important role, at the executive level, in the promotion of improved delivery of services and communications with provincial governments. The Councils work jointly with stakeholders on official languages, innovation, security, human resource management, homelessness, policy development, Government On-Line, regional economic development, and science and the environment. Each Federal Council has a number of sub-committees addressing various themes. Specific initiatives planned for, or under way during, 2003-2004 include:

- Prince Edward Island Federal Council is developing a Shared Learning Centre, which will open in Charlottetown in 2005. It is also proceeding with initiatives on embracing change, youth, Government On-Line and Modern Comptrollership.
- Newfoundland and Labrador Federal Council is implementing a Public Sector Leadership and Management Development Program in partnership with Memorial University of Newfoundland's Executive MBA Program.
- New Brunswick Federal Council will continue to implement a new governance structure for its operations, comprising a six-member Board of Management, with each member assigned responsibility for one or more horizontal files covering major federal initiatives in New Brunswick.
- Nova Scotia Federal Council is developing a human resources plan for increasing diversity and formalizing an economic and social inclusion charter.
- All of the Regional Councils will continue their human resources initiatives within the federal public service, including new learning initiatives.

OECD Territorial Development Policy Committee (TDPC)

The Organisation for Economic Cooperation and Development (OECD) completed its review of Canada's territorial policies and published its report in September 2002. A discussion forum was held with the OECD researchers, participating departments and agencies and members of the public who were consulted in the course of the review. In addition to ACOA, contributing participants included Canada Economic Development (CED-Quebec); Western Economic Diversification Canada; FedNor/Industry Canada; Statistics Canada; Agriculture and Agri-Food Canada; Human Resources Development Canada; and Indian and Northern Affairs Canada. Reactions to the release of the study were fairly balanced. Most of the concerns raised in the review met with issues currently being addressed by Canada, for example, the urban file, equalization and the development of remote communities. One province expressed concern that the report described Canada as the most decentralized federation, a conclusion based on provinces' ability to raise their own taxes. The conclusion counters provinces' issue of fiscal imbalance between provinces and federal level.

As of April 2002, ACOA became the official Canadian delegate to the OECD Territorial Development Policy Committee and is now the liaison with the TDPC for territorial reviews being done in Canada. Under the leadership of Canada Economic Development (CED-Quebec), a review of the *Communauté Métropolitaine de Montréal* (CMM) is currently in development with the objective to assess governance and urban fiscal capacity as a variable of regional economic development. OECD experts will carry out the review in 2003-2004. The report will be presented for review by the TDPC committee at its December 2003 meeting, before being released in 2004.

Government Themes and Management Issues

Government On-Line

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

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

1. Grants and Contributions Funding

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

- Market Information relating to specific industry sectors;
- Application for Funding (Atlantic Innovation Fund pilot completed);
- Ability to submit claims for reimbursement;
- Payment of contracts on-line;
- Repayment of loans; and,
- Ability to monitor key aspects of G&C project information from start to finish.

2. Information Sharing and Exchange

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

- On-Line Access to Information (available since Spring 2002);
- Interactive Calendar of Events designed for both internal and external clients;
- Essential business information relevant to ACOA's services with clients and stakeholders; and
- Provision of interactive messaging, posting and cataloguing of information pertinent to the Agency's lines of service.

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

Sustainable Development

A healthy environment is essential to the development and maintenance of a strong, growing and sustainable economy in Atlantic Canada. As one of 29 departments and agencies that have established and updated sustainable development strategies, ACOA has focussed on initiatives within its mandate that contribute to sustainable businesses and communities in Atlantic Canada and to setting an example in the way it handles internal operations.

While the Agency continues to support business enterprises, there are both cautions and opportunities involved. Specifically, there are increasing requirements and public expectations that enterprises take into consideration the environmental effects of their operations. Issues facing the region, as identified in ACOA's 2000 Sustainable Development Strategy (SDS) Update, remain valid, i.e. natural resource depletion, pollution and physical degradation of land. As a result, all projects for ACOA funding are subject to screening under the *Environmental Assessment Act* to minimize any risk to the environment.

Concurrently, there are increasing opportunities for businesses that wish to join Atlantic Canada's growing environmental industries sector. The Atlantic Innovation Fund (AIF) is making strategic investments in leading-edge research and development that directly contribute to the development of technology-based economic activity, including the environmental industries sector. Under Round I of the AIF, the Agency investment in projects with a direct environmental element is \$21.7 million toward a total investment of \$44.1 million.

Recent research has shown that there exists a strong perception among potential entrepreneurs that operating a profitable business and protecting the environment are incompatible. However, it has been shown that there are many benefits, financial and other, which an entrepreneur can derive from creating and operating an environmentally friendly enterprise. To help set the record straight, the Agency is producing several awareness projects, including a handbook that promotes an understanding of how environmental issues and responsibilities are being supported through entrepreneurship and entrepreneurs in Atlantic Canada, and generic and industry-specific fact sheets to help entrepreneurs to identify ways in which they can become eco-efficient.

Strategic Outcome: Environmentally responsible practices among ACOA clients and stakeholders.	
Key Activities: Distribution of generic eco-efficiency fact sheet to new program applicants and available at ACOA offices, CBDCs, CBSCs and CEDAs.	Planned results: More eco-efficient operations and environmentally conscious decisions by ACOA clients and stakeholders.
Strategic Outcome: Opportunities for environmental industries in Atlantic Canada.	

Key Activities: Strategy for the development of the environmental industries sector presented to senior management.	Planned results: To determine what currently exists within the industries and what role ACOA could play.
Strategic Outcome: Opportunities to collaborate with public and private organizations on common sustainable development goals and objectives.	
Key Activities: Internal and external consultations will be held in conjunction with the preparation of ACOA's 2003 SDS Update.	Planned results: Create partnerships within the public and private sectors to work on common initiatives.
Strategic Outcome: Increased awareness and understanding of what ACOA employees and contracted resources can do to support the goal of sustainable development.	
Key Activities: Information sessions for staff on ACOA's role in SD and how they can contribute to SD. One session per region and Head Office.	Planned results: Increase the Agency's capacity to embrace the three "Rs" of sustainable development: Reduce, Re-use and Recycle.
Strategic Outcome: More efficient use of resources.	
Key Activities: Purchase at least one additional alternative fuel vehicle to replace existing gasoline-fuelled vehicles.	Planned results: Participate in government's efforts to reduce greenhouse gas emissions.

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

Modern Comptrollership

Through its Modern Business Management Initiative ACOA has embraced Treasury Board's Modern Comptrollership initiative. Currently, the Agency is implementing its Action Plan, which focusses on 10 priority areas emanating from its Capacity Assessment. The specific areas that the Agency is addressing are: Modern Comptrollership leadership; risk management; planning and performance information; service quality; business process improvement; reporting transparency; Workplace of Choice; comptrollership competencies; and assessing reporting and cost management information requirements. Implementation of the Action Plan will continue during 2003-2004 and into 2004-2005. It is expected that the Agency will conduct a follow-up assessment in mid 2004-2005 to determine the extent of improved management practices and to identify further areas requiring attention. Detailed information on the Agency's Capacity Assessment and Action Plan can be found on its Web site: <http://www.acoa-apeca.gc.ca/e/library/parliament.shtml>

Section 41 of the *Official Languages Act*

On the national level, ACOA has maintained its participation on the National Committee for Canadian Francophone Human Resources Development as well as the National Committee of Official Languages Co-ordinators responsible for the implementation of Section 41 of the *Official Languages Act*.

Consequently, the Agency is working closely with the economic development and employability groups (Regroupement de développement économique et d'employabilité - RDÉÉs) in each of the four Atlantic provinces. In addition to the regular contact maintained with the organizations representing Francophones in the four Atlantic provinces and the assistance it provides with the preparation of their action plans, the Agency maintains a close relationship with the four Francophone organizations spearheading economic issues.

At the regional level, the Agency plays an active role in the official languages sub-committees of each of the four Federal Councils of the Atlantic provinces. The Agency also works with various Francophone organizations in the region to stimulate and nourish the economic development of the Francophone community. To prepare the way for effective collaboration, the Agency ensures that the specific needs of the Francophone population are an integral part of its economic development research, thus enabling ACOA to better meet the needs of entrepreneurs in the Francophone community. The research conducted by the Agency also looks at entrepreneurship opportunities for young Francophones.

With respect to supporting Acadian and Francophone communities, ACOA is a signatory to two partnership agreements with the Department of Canadian Heritage (PCH). Along with numerous other federal institutions, ACOA is a signatory to the Interdepartmental Partnership with the Official Language Communities, where both parties share in funding activities in the communities that are innovative, strategic and long lasting.

Another partnership that is specific to ACOA and PCH is the Atlantic Canada Cultural and Economic Partnership. Funded jointly and on an equal basis by both partners, this initiative seeks to stimulate economic development through culture and to celebrate the 400th anniversary of the arrival of the French in North America in 1604. Many activities are slated for 2004, including the third World Acadian Congress, the highlight of the 2004 festivities, to be held in Nova Scotia.

With respect to the Regional Economic Development Organizations and Community Business Development Corporations to which it provides funding, ACOA monitors the contribution levels these organizations make to Francophone groups as well as the representation of Francophones on their Boards of Directors. It also ensures that the Canada Business Services Centres, located in each of the four Atlantic provinces, deliver services in both official languages.

Citizen-centred Service Delivery

The Agency continues to be a strong supporter of the five-year service improvement initiative, approved by Treasury Board, and has conducted corporate client and employee surveys using the Government of Canada's Common Measuring Tool (CMT). The Agency's first survey, in 2001, contacted 1,792 clients with a response rate of 33%. The survey identified that 83.6% of ACOA's clients were satisfied with the overall service they received. Key areas that could be improved are time-related: i.e. time to process an application, receive a payment and receive information. A Service Improvement Plan has been initiated to address those client priorities as well as other client observations. In the spring of 2003, ACOA will conduct a second corporate client survey. This survey will again examine satisfaction levels and importance of service, and identify critical barriers and areas or priorities for improvement. It will also offer the opportunity to make comparisons with the baseline survey results.

The Agency has also completed a pilot project in New Brunswick for the development of client-driven service standards for commercial projects submitted under the Business Development Program, and will continue with standards development in other provinces.

In terms of business process improvement, the Agency plans to expand and implement its process mapping approach to other core programming activities including the Strategic Community Investment Fund, Community Business Service Centres and Atlantic Investment Fund.

ACOA's Review Services

Reporting, accountability, transparency and protecting the public interest are key features of ACOA's results-based management approach to program planning, monitoring, audit and evaluation. It is through the Agency's Review Committee, which is chaired by the President and includes as members the Regional Vice-Presidents, that ACOA's internal audits, evaluations and reviews are approved for a three-year period. Using the findings from these activities and other performance information, ACOA's senior managers and program officials are able to implement recommended changes to policies, programs or initiatives and to report results to central agencies, Parliament and the public.

The primary goal of ACOA's Review Services Division is to provide the Agency's senior managers with timely, accurate, balanced and evidence-based information on the performance, relevance, cost-effectiveness and results achieved, of key Agency policies, programs and initiatives. In turn, this information is used by ACOA senior management to make strategic and operational decisions on improving the overall effectiveness of the Agency's programming, and to account for results.

For example, a third-party, Atlantic-wide evaluation of the Canada Business Service Centres will be completed in 2003. A number of recommendations will be made concerning the improvement of services to clients, and will be forwarded to senior officials in ACOA's Policy and Programs Directorate for action.

Further, an in-depth evaluation of ACOA's core program, the Business Development Program (BDP), is currently being finalized. BDP was introduced in 1995 to support and promote new opportunities for economic development in Atlantic Canada, with particular emphasis on small and medium-sized enterprises. To date, BDP has provided \$814 million in assistance to over 4,200 clients. The evaluation will be forwarded to internal and external parties including Treasury Board Secretariat and the Standing Committee on Public Accounts. In addition, the executive summary will be posted on ACOA's main Web site in both official languages. For additional details on ACOA's Review Plan for fiscal year 2003-2004, please refer to the Annex.

Section V - Organization

A. Agency Business Lines

The primary business line for ACOA is Development. This includes the policy, planning and delivery functions directly related to the following:

- *Innovation*
- *Community Economic Development*
- *Entrepreneurship and Business Skills Development*
- *Trade*
- *Investment*
- *Tourism*
- *Access to Capital and Information*
- *Policy, Advocacy and Co-ordination*

Sound management of the Agency is provided with the Corporate Administration business line. Aligning resources to the priorities in the strategic planning framework assumes risk and is achieved through strategic and financial planning. The Agency's Board and Executive Committee, internal audit and evaluation functions provide accountability for results to Canadians. This business line also includes: the executive offices of the Minister of State and President; personnel, finance, systems and administrative support provided by corporate and regional offices; legal services; and communication activities.

B. Development Business Line

Net Planned Spending and Full-time Equivalents (FTEs):

Forecast Spending 2002-2003		Planned Spending 2003-2004		Planned Spending 2004-2005		Planned Spending 2005-2006	
\$ millions	FTEs	\$ millions	FTEs	\$ millions	FTEs	\$ millions	FTEs
341.5	479	418.2	468	406.4	468	394.8	468

C. Corporate Administration Business Line

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

Forecast Spending 2002-2003		Planned Spending 2003-2004		Planned Spending 2004-2005		Planned Spending 2005-2006	
\$ millions	FTEs	\$ millions	FTEs	\$ millions	FTEs	\$ millions	FTEs
20.5	138	21.0	135	21.0	135	21.0	135

D. Strategic Outcomes and Business Lines

The following table demonstrates the 2003-2004 planning year resource relationship between the Strategic Outcomes and Business Lines.

Planning Year 2003-2004				
Description (\$ millions)		Business Line		Total
		Development	Corporate Administration	
Strategic Priorities / Outcomes	<i>Innovation</i>	126.2		126.2
	<i>Community Economic Development</i>	80.3		80.3
	<i>Entrepreneurship and Business Skills Development</i>	29.7		29.7
	<i>Trade</i>	33.7		33.7
	<i>Investment</i>	4.1		4.1
	<i>Tourism</i>	39.7		39.7
	<i>Access to Capital and Information</i>	48.5		48.5
	<i>Policy Advocacy and Co-ordination.</i>	8.3		8.3
	<i>Corporate Administration</i>		21.0	21.0
Sub-total		370.5	21.0	391.5
<i>Infrastructure Canada</i>		42.7		42.7
<i>Statutory Transfer Payments</i>		5.0		5.0
Total Programming		418.2	21.0	439.2

E. Accountability

The Honourable Allan Rock, Minister of Industry, is responsible for ACOA. The Honourable Gerry Byrne, Minister of State, ACOA, reports to the Minister of Industry. Mr. Dennis Wallace, President of ACOA, is responsible for the Development and Corporate Administration business lines and reports to the Minister of Industry and the Minister of State.

F. Responsibilities

2003-2004 Resources by Responsibility Area (\$ millions)						
Business Line	Regions	Policy and Programs	Human Resources	Finance and Corporate Services	All Other*	Total
Development 468 FTEs	383.8	29.1	0.3	5.0	-	418.2
Corporate Administration 135 FTEs	5.3	0.6	1.4	10.2	3.5	21.0
Total Planned 603 FTEs	389.1	29.7	1.7	15.2	3.5	439.2

*Other: Legal Services, President, Minister of State, Minister, and Advisory Board

G. Agency Planned Spending

(\$ millions)	Forecast Spending 2002-2003	Planned Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006
Corporate Administration	20.5	21.0	21.0	21.0
Development	426.2	418.2	406.4	392.7
Total Main Estimates	446.7	439.2	427.4	413.7
Adjustments *	(84.7)			2.1
Net Planned Spending	362.0 **	439.2	427.4	415.8
Less: Non-responsible revenue	57.9	59.0	59.0	59.0
Plus: Cost of services received without charge	5.9	6.1	6.1	6.1
Net Cost of Program	310.0	386.3	374.5	362.9
Full-time Equivalents	617	603	603	603

* Adjustments accommodate approvals obtained since the Main Estimates and include supplementary estimates and other in-year approved allotment adjustments. These adjustments include reprofiling resources of \$89.5 million, offset by increased costs due to collective bargaining of \$2.2 million, increasing liabilities arising under statutory transfer payment programs of \$2.2 million and other miscellaneous adjustments of \$0.4 million.

** Reflects forecast expenditures to the end of the fiscal year.

Note: Planned spending reflects funds currently approved in the government fiscal plan. Over the three-year planning period, a reduction of \$23.4 is expected. The Agency is committed to following government policies and priorities set out in the Speech from the Throne. These include the reallocation of funds to best serve Atlantic Canadians and possible transfers to operating resources.

ANNEX

The following tables may be accessed from the ACOA Web site:

<http://www.acoa-apeco.gc.ca/e/library/reports/rpp2003/estimates2003.shtml>.

Table 4	Summary of Transfer Payments
Table 5	Details on Transfer Payments Programs
Table 7	Non-respendable Revenue
Table 8	Net Cost of Program for the Estimates Year
Table 9	2003-2004 Review Plan – Audits and Evaluations

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

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

Toll Free : 1-800-561-7862
General : (506) 851-2271
Facsimile : (506) 851-7403