

# Atlantic Canada Opportunities Agency

ANNEX

for

2004-2005  
Estimates

Part III - Report on Plans and Priorities



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**Table 1: Summary of Transfer Payments**

(\$ millions)	Forecast Spending 2003-2004	<b>Planned Spending 2004-2005</b>	Planned Spending 2005-2006	Planned Spending 2006-2007
<b>Grants</b>				
Development	1.4	<b>2.0</b>	2.0	2.0
<b>Total Grants</b>	<b>1.4</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
<b>Contributions</b>				
Development	349.8	<b>383.7</b>	347.1	187.8
<b>Total Contributions</b>	<b>349.8</b>	<b>383.7</b>	<b>347.1</b>	<b>187.8</b>
<b>Other Transfer Payments</b>				
Development	5.8	<b>0.0</b>	0.0	0.0
<b>Total Other Transfer Payments</b>	<b>5.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Grants, Contributions and Other Transfer Payments</b>	<b>357.0</b>	<b>385.7</b>	<b>349.1</b>	<b>189.8</b>

**Table 2: Details of Transfer Payments Programs**

(\$ millions)	Forecast Spending 2003-2004	<b>Planned Spending 2004-2005</b>	Planned Spending 2005-2006	Planned Spending 2006-2007
<b>Development</b>				
<i>Business Development Program (BDP)</i>	149.7	<b>137.2</b>	140.5	130.0
<p><u>Objective:</u> To increase the number of successful business start-ups and the successful expansion and modernization of SMEs.</p> <p><u>Planned Results:</u> Increased survival rates of assisted start-ups, increased sales, increased productivity and increased number of employment opportunities.</p> <p><u>Milestones:</u> Results are monitored regularly through the Agency's Client Relationship Information Management System (CRIMS). A quality assurance audit and a post-payment audit regarding the reliability of payments is scheduled for completion in fiscal year 2003-2004. An evaluation examining the progress, results and impact of the BDP was completed in fiscal year 2003-2004. A results-based management and accountability framework will be completed in early 2004-2005.</p> <p>More information on the BDP can be found at the following Web site: <a href="http://www.acoa-apeca.gc.ca/e/financial/business.shtml">http://www.acoa-apeca.gc.ca/e/financial/business.shtml</a>.</p> <p>The evaluation of the BDP is available at: <a href="http://www.acoa-apeca.gc.ca/e/library/audit.shtml">http://www.acoa-apeca.gc.ca/e/library/audit.shtml</a></p>				
<i>COOPERATION Program</i>	18.0	<b>13.7</b>	0.9	
<i>Canada/Newfoundland Comprehensive Economic Development Agreement</i>	9.3	<b>5.2</b>		
<p><u>Objective:</u> Development of strategic sectors, markets and trade, entrepreneurship and innovation, and community economic development.</p> <p><u>Planned Results:</u> Further development of strategic sectors, development of new products and strengthened SME technical capabilities, and implementation of strategic economic plans by the 20 economic zone boards.</p> <p><u>Milestones:</u> A monitoring report is prepared annually. Results are tracked in the CRIMS. The report is scheduled to be issued in the fiscal year 2003-2004. An audit of the CEDA for fiscal years 2001-2002 and 2002-2003 will be completed in 2004-2005. A summative evaluation is scheduled to begin in late 2004-2005.</p>				

<i>Development (Continued)</i>				
<b>Canada/Nova Scotia COOPERATION Agreement on Economic Diversification</b>	0.8	1.1	0.5	
<p><u>Objective:</u> To create quality, sustainable jobs and profitable, world-class companies that are export oriented. To build on the potential of strategic sectors and enhance the sustainability of communities.</p> <p><u>Planned Results:</u> An increase in the number of sustainable jobs, improved competitiveness of firms as measured by increased exports, increased skills of individuals, development of new businesses and sustainability of communities.</p> <p><u>Milestones:</u> This agreement has terminated and is in the final pay-out years.</p>				
<b>Canada/New Brunswick Regional Economic Development Agreement</b>	6.0	6.5		
<p><u>Objective:</u> To contribute to the expansion of the economic base of New Brunswick.</p> <p><u>Planned Results:</u> Increased opportunities for private sector investment and entrepreneurship, expanded competitive ability of the province through investment in key sectors, as well as sustainable job growth.</p> <p><u>Milestones:</u> Summative evaluation to be completed in 2004-2005.</p>				
<b>All other COOPERATION Agreements</b>	1.9	0.9	0.4	
<b>Community Futures</b>	22.6	10.8	8.8	8.8
<p><u>Objective:</u> To provide financial and technical assistance to SMEs in rural areas.</p> <p><u>Planned Results:</u> New and expanded SMEs and additional jobs.</p> <p><u>Milestones:</u> Results are monitored and reported quarterly. An evaluation was completed in 2003-2004.</p>				

**Development (Continued)**

<b>Atlantic Investment Partnership Initiative</b>	117.4	<b>145.1</b>	135.1	50.4
<i>Atlantic Innovation Fund (AIF)</i>	40.8	<b>70.0</b>	83.6	50.4
<i>Strategic Community Investment Fund (SCIF)</i>	56.4	<b>51.0</b>	29.5	
<i>Atlantic Trade and Investment Partnership (ATIP)</i>	5.1	<b>6.2</b>	6.2	0
<i>Tourism</i>	3.3	<b>3.5</b>	3.0	
<i>Entrepreneurship and Business Skills Development</i>	11.8	<b>14.4</b>	12.8	

**Objective:**

To stimulate stronger economic growth in Atlantic Canada by making strategic investments in five areas: innovation; community economic development; trade and investment; tourism; and entrepreneurship and business skills development.

**Planned Results:**

The AIF will focus on assisting projects in the area of the natural, applied and social sciences as well as in the humanities, where these are linked explicitly to the development of technology-based products, processes or services or their commercialization, and thereby strengthen the region's system of innovation.

Community economic development will focus on rural communities and will support strategic initiatives that enable communities to adopt new technologies, enhance the competitiveness of their industrial base, and develop their economic infrastructure.

Trade, tourism and investment initiatives seek to expand sales to international markets and attract foreign direct investment and strengthen trade education and skills development.

Entrepreneurship and business skills development is intended to increase the number of Atlantic Canadians who choose to start their own businesses, improve the ability of existing businesses to compete and grow successfully, and improve the innovation and technical competencies of Atlantic Canada's SMEs.

**Milestones:**

ACOA will perform evaluations in accordance with the Results-based Management and Accountability Frameworks (RMAFs) established for these programs. A formative evaluation for AIF is planned for completion in fiscal year 2003-2004. A compliance audit for AIF and SCIF will be completed in 2004-2005. Formative evaluations for Women in Business Initiative, Youth Entrepreneur Development Initiative, Innovation Skills Development Initiative and SCIF are scheduled for 2004-2005.

More information on the AIP can be found at the following Web sites:

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

<http://www.acoa-apec.ca/e/financial/scif.shtml>.

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

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



***Development (Continued)***

***Saint John Shipyard Adjustment Initiative***

0.7	<b>30.0</b>	22.0	
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**Objective:**

To ensure closure of shipyard operations and redevelopment of the site for other economic development use.

**Planned Results:**

The aim is to address the impact of the lack of manufacturing activities and its economic impact on the province of New Brunswick, and to take advantage of industrial opportunities by assisting in the financing of projects within the province.

**Milestones:**

A compliance audit will commence in 2004-2005.

***Infrastructure Canada Programs***

40.4	<b>48.3</b>	41.2	
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Canada/Newfoundland Agreement

9.6      **13.0**      13.8

Canada/Prince Edward Island Agreement

4.3      **2.3**      1.5

Canada/Nova Scotia Agreement

13.0      **18.0**      15.1

Canada/New Brunswick Agreement

13.5      **15.0**      10.8

**Objective:**

Improve Canadians' quality of life through investments that enhance the quality of the environment, support long-term economic growth and improve community infrastructure.

**Planned Results:**

Improvements and additions to green municipal infrastructure, local transportation infrastructure, infrastructure in support of tourism and affordable housing.

**Milestones:**

An interim evaluation will be completed in 2004. A final evaluation is planned for fiscal 2006-2007.

More information on Infrastructure Canada programs can be found at the following Web sites:

<http://www.acoa-apeco.gc.ca/e/financial/infrastructure.shtml>.

<http://www.infrastructurecanada.gc.ca/>

<b>Development (Continued)</b>				
<b>Other Program</b>				
<i>Canadian Fisheries Adjustment and Restructuring Initiative</i>	2.1	<b>0.0</b>	0.0	0.0
<u>Objective:</u> Economic development component helping affected rural communities to become more self-reliant by diversifying and expanding their economies.				
<u>Planned Results:</u> Creation of longer-term employment opportunities through economic development initiatives, and communities will be strengthened and diversified and less dependent on seasonal industries and income support programs.				
<u>Milestones:</u> This initiative has been completed. A summative evaluation is planned for completion in early 2004-2005.				
<i>Atlantic Policy Research Initiative</i>	0.3	<b>0.6</b>	0.6	0.6
<b>Total Grants and Contributions</b>	351.2	<b>385.7</b>	349.1	189.8
<b>Other Transfer Payments</b>	5.8	<b>0.0</b>	0.0	0.0
Statutory Liabilities:				
<i>Small Business Loans Act (SBLA)</i>	2.7			
<i>Canadian Small Business Financing Act (CSBFA)</i>	3.1			
<u>Objective:</u> Encourage participating lending institutions to increase the availability of loans for the establishment, expansion, modernization and improvement of small businesses.				
<u>Milestones</u> Responsibility for SBLA and CSBFA and has been transferred to Industry Canada. The Agency has four outstanding loans for which full repayment is expected.				
<b>Total Grants, Contributions and Other Transfer Payments</b>	357.0	<b>385.7</b>	349.1	189.8

**Table 3: Non-respondable Revenue**

(\$ millions)	Forecast Revenue 2003-2004	Planned Revenue 2004-2005	Planned Revenue 2005-2006	Planned Revenue 2006-2007
<b>Development</b>				
Repayable contributions	56.4	57.0	57.0	57.0
All other	8.2	2.0	2.0	2.0
<b>Total Non-respondable Revenue</b>	<b>64.6</b>	<b>59.0</b>	<b>59.0</b>	<b>59.0</b>

More information on Non-respondable Revenue from Repayable Contributions can be found at the following Web site:

<http://www.acoa-apeca.gc.ca/e/financial/repayable/index.shtml>

**Table 4: External Charging**

Name of Fee Activity	Fee Type	Fee Setting Authority	Reason for fee introduction or amendment	Effective date planned change to take effect	Planned consultation & review process
Loan Insurance Fees	Regulatory	Liabilities for loan or credit insurance pursuant to the <i>Government Organization Act, Atlantic Canada, 1987</i>	N/A	N/A	N/A

An annual administration fee is assessed to lenders by ACOA as part of the loan insurance guarantee contractual obligations. The fee is payable at the time of disbursement to the borrower and is 1% of the loan guarantee amount. Fees are due each year on the anniversary date. The Agency has no intention to modify or amend this fee, as it has four loans in good standing with revenues estimated at \$4,000 annually.

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

(\$ millions)	<b>Total</b>
Net Planned Spending (Main Estimates plus Adjustments)	476.6
<i>Plus: Services received without charge</i>	
Accommodations provided by Public Works and Government Services Canada (PWGSC)	3.3
Contributions covering employer's share of employee insurance premiums and expenditures paid by TBS	3.3
Workers' compensation coverage provided by Human Resources Development Canada	-
Salary and associated expenditures of legal services provided by Justice Canada	0.1
	6.7
<i>Less: Non-respendable Revenue</i>	(59.0)
<b>2004-2005 Net cost of Program</b>	<b>424.3</b>

**Table 6: 2004-2005 Review Plan – Audits and Evaluations Scheduled for Completion**

<b>A. Transfer Payments</b>
<i>Audits</i>
Atlantic Innovation Fund – Compliance Audit Business Development Program – Quality Assurance Audit Canada/Newfoundland and Labrador Comprehensive Economic Development Agreement – Compliance Audit Infrastructure Canada – Compliance Audit Strategic Community Investment Fund – Compliance Audit
<i>Evaluations</i>
2003-2006 Atlantic Canada Tourism Partnership – Annual Evaluation Atlantic Policy Research Initiative – Summative Evaluation Atlantic Trade and Investment Partnership – Formative Evaluation Canadian Fisheries Adjustment and Restructuring Initiative – Summative Evaluation Canada/New Brunswick Regional Economic Development Agreement – Summative Evaluation Consultant Advisory Services Program - Evaluation Innovation Skills Development Initiative – Formative Evaluation Strategic Community Investment Fund – Formative Evaluation Women in Business Initiative – Formative Evaluation Young Entrepreneur Development Initiative – Formative Evaluation
<b>B. Policies and Corporate Administration</b>
<i>Audits</i>
Audit of Contracting Function – Assurance Audit Provisionally Repayables – Policy and Programs Audit Service Quality Initiative – Assurance Audit
<i>Evaluations</i>
Provisionally Repayables – Evaluation