



Canada Economic Development for Quebec Regions

2001-2002
Estimates

Part III – Report on Plans and Priorities

Canada

The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament. The Estimates, which are tabled in the House of Commons by the President of the Treasury Board, consist of three parts:

Part I – The Government Expenditure Plan provides an overview of federal spending and summarizes both the relationship of the key elements of the Main Estimates to the Expenditure Plan (as set out in the Budget).

Part II – The Main Estimates directly support the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and amounts to be included in subsequent appropriation bills. Parliament will be asked to approve these votes to enable the government to proceed with its spending plans. Parts I and II of the Estimates are tabled concurrently on or before 1 March.

Part III – Departmental Expenditure Plans which is divided into two components:

- (1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year period. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are to be tabled on or before 31 March and referred to committees, which then report back to the House of Commons pursuant to Standing Order 81(4).
- (2) **Departmental Performance Reports (DPRs)** are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of public funds.

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Canada Economic Development for Quebec Regions

**2001 S 2002
Estimates**

Report on Plans and Priorities

Brian Tobin

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

Table of Contents

Section I - Messages	3
1.1 Minister's Portfolio message	3
1.2 Message from the Secretary of State	5
1.3 Management representation	7
Section II - Agency Overview	9
2.1 What's new	9
2.2 Mandate, roles and responsibilities	11
2.3 Objective	13
2.4 Planning context	13
2.4.1 Government of Canada priorities	13
2.4.2 Economic context in Quebec	13
2.5 Spending plan	18
Section III - Agency Plans, Results, Activities and Resources	19
3.1 Detailed information on the Agency's business line S PROMOTION OF THE ECONOMIC DEVELOPMENT OF THE REGIONS OF QUEBEC ...	19
3.1.1 Objective	19
3.1.2 Description	19
3.1.3 Development issues	20
3.1.4 Strategic targets	21
3.1.5 Agency priorities	21
3.1.6 Canada Economic Development programming	22
3.2 Chart of key results commitments for the next three years (2001-2004)	25
Section IV - Joint Initiatives	31
4.1 Horizontal initiatives	31
4.2 Collective initiatives	33
Section V - Financial information	35
5.1 Summary of Transfer Payments	35
5.2 Information on the Transfer Payments Program	36
5.3 Source of Non-Respendable Revenue	37
5.4 Net Cost of Program for 2001-2002	38
Section VI - Other information	39
6.1 Address book	39
6.2 Index	41

Section I
Messages

1.1 Minister's Portfolio Message

Our vision of Canada is a country that is strong and dynamic, a leader in the global knowledge-based economy, and a country where all Canadians have the opportunity to benefit from economic and social prosperity.

That is why the government is investing in knowledge and innovation — fundamental contributors to our quality of life. Through strategic investments in skills development, knowledge creation and new technologies the government is committed to expanding Canada's knowledge base, innovation and research capacity, and accelerating Canada's leadership in the new economy.

The government's strategy of investing in knowledge and innovation is already helping to create new businesses, products, processes and jobs. The 15 organizations within the Industry Portfolio contribute to economic growth, which leads to a higher quality of life and social well-being for all Canadians.

With over forty percent of the federal government's science and technology funding and many of the key micro-economic levers at its disposal, the Industry Portfolio is instrumental in promoting innovation through science and technology; helping small-and medium-sized enterprises grow; encouraging trade and investment; and promoting economic growth in Canadian communities.

I am pleased to present the *Report on Plans and Priorities* for Canada Economic Development for Quebec Regions which describes for Canadians the expected achievements over the next three years. Canada Economic Development's goal is to increase and realize the economic development potential of each region of Quebec so that

The Industry Portfolio is ...

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
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 Reports on Plans and
Priorities*

Canada Economic Development

this leads in the long term to enhanced prosperity and employment. The Agency focusses its activities on emerging issues and challenges so as to bring all Quebec regions into the new global economic environment. To this end, the Agency focusses on two main areas of activity: enterprise development, and improvement of the environment for economic development of the regions. It emphasizes innovation and facilitation by socio-economic stakeholders so that promising projects emerge in Quebec communities.

Through organizations like Canada Economic Development, we will work together to build on the strengths and opportunities that exist throughout Canada.

The Honourable Brian Tobin

1.2 Message from the Secretary of State

With an active, dynamic presence in each region of Quebec, Canada Economic Development joins in the efforts of those — workers, managers, entrepreneurs, and local and regional stakeholders — who invest their hearts, talents and future in developing their regions' economy and ensuring their communities' prosperity, job growth and creation of new enterprises.

In the age of globalization, when the frontiers of science and technology are receding ever more quickly, the ability to innovate has become the key competitive advantage for enterprises, both those adopting new technology and those creating the technology. In today's world, firms do not innovate in a vacuum; they have to build, locally and regionally, on a complex of infrastructure and knowledge networks to develop and transfer knowledge, and to facilitate its conversion into commercial success, jobs and revenues. Innovation is central to the modern view of regional economic development adopted by the Agency at the start of this 21st Century.

Canada Economic Development pays special attention to regions encountering difficulties in adjusting to the new global economic environment. The Agency is mobilizing so that the new development opportunities benefit all the regions of Quebec and no region is left by the wayside. This approach whereby a balance is sought among the regions gives expression to a profoundly Canadian value, that of sharing.

In its awareness of the particularly difficult economic situation facing the Gaspésie and Îles-de-la-Madeleine Region, the Agency recently implemented the Canadian Support Program for the Gaspé Economy. I am especially proud of the opening of Canada Economic Development's new office in Gaspé, which brings the Agency's business offices up to 14.

The Agency's Report on Plans and Priorities for 2001-2002 is in line with the strategic approaches presented in last year's report. The Agency focusses its energies on two main areas of activity: enterprise development, and improving the environment for the economic development of the regions.

Canada Economic Development supports the development of Quebec SMEs seeking to enhance their competitiveness, innovate and export. The Agency fosters the growth of technological enterprises starting up and expanding. Canada Economic Development also contributes to the development of small local and regional enterprises, cultivating to that end a special partnership with Community Futures Development Corporations (CFDCs).

Using a balanced approach, Canada Economic Development also supports the implementation of projects with strategic impact which present beneficial spinoffs for the development of regional economies. With local and regional partners, and frequently in conjunction with other Government of Canada departments and agencies, Canada

Canada Economic Development

Economic Development supports the economic enhancement of development assets specific to the regions, and participates in strengthening their knowledge infrastructure. It also provides communities and regions with assistance in anticipating and properly assessing emerging strategic issues, mobilizing and joining together to deal with them, and acquiring the means to have an impact on the development conditions of tomorrow's economy.

The Economic Development Agency of Canada for the Regions of Quebec shares a great challenge with all the builders of our Quebec regions: that of all working together to have Canada recognized as one of the planet's most innovative economies.

The Honourable Martin Cauchon

1.3 Management Representation

Report on Plans and Priorities 2001S2002

I submit, for tabling in Parliament, the 2001-2002 Report on Plans and Priorities (RPP) for the Economic Development Agency of Canada for the Regions of Quebec.

To the best of my knowledge the information:

- Accurately portrays the department's mandate, priorities, strategies and planned results of the organization;
- Is consistent with the disclosure principles contained in the *Guidelines for Preparing a Report on Plans and Priorities*;
- Is comprehensive and accurate;
- Is based on sound underlying departmental information and management systems.

I am satisfied as to the quality assurance processes and procedures used for the RPP's production.

The Planning and Reporting Accountability Structure (PRAS) 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.

André Gladu, Deputy Minister

Date: _____

Section II
Agency Overview

2.1 What's new

Of the main changes at Canada Economic Development since the 2000-2001 RPP was tabled, six are worthy of special attention:

□ Implementation of Canada Economic Development's strategic framework

To confront the emerging issues and challenges of the economic development of the regions, Canada Economic Development has drawn up a new strategic framework, which it will begin to implement from the beginning of the 2001-2002 fiscal year. This strategic framework calls upon the Agency to focus its energies on two main areas of activity: *Enterprise development*, and *Improving the environment for economic development of the regions*.

Recognizing the importance of working both to enhance the development environment and to encourage the dynamism of small and medium-sized enterprises, Canada Economic Development proposes a balanced approach so that, over a three-year horizon (2001-2002 / 2003-2004), 50% of the Agency's new financial commitments will be devoted to *Enterprise development*, while the other 50% will be used to foster *Improvement of the environment for economic development of the regions*. Further details on the strategic framework are available in Section III.

□ Implementation of a support strategy for the Gaspésie – Îles-de-la-Madeleine region

In October 2000, the Minister of National Revenue and Secretary of State responsible for Canada Economic Development, the Honourable Martin Cauchon,

Series of measures to support the region's economic recovery.

announced a series of measures designed to support the economic recovery of the region, which was hard hit by the closing of enterprises that had been major local employers.

The measures taken include establishment of the Canadian Support Program for the Gaspé Economy, which has a \$35-million envelope over five years. Another important measure was the opening of a new Canada Economic Development office for the Gaspésie – Îles-de-la-Madeleine Region in Gaspé. The Agency's physical presence in Gaspé will help bring it closer to the various local and regional economic development players.

Broader scope for the Community Development Program (CDP)

In September 2000, the Honourable Martin Cauchon launched an initiative that enables the Government of Canada to broaden the scope of its

Project to improve access to Government of Canada services.

Community Development Program (CDP) so as to provide residents of all regions of Quebec with better services. The CDP, which already covered more than 60% of Quebec, has been extended to 35 further municipalities. This partnership to cover a wider area will be implemented with the participation of the Community Futures Development Corporations (CFDCs), Community Economic Development Corporations (CEDCs) and Business Development Centres (BDCs), and will mean other Government of Canada departments and agencies have a network for delivering their programs and services throughout Quebec.

New Regional Strategic Initiatives (RSIs)

Canada Economic Development will continue to develop strategic initiatives in order to enhance the economic development environment of the

Outaouais RSI, "Toward Better Adapted Rural and Urban Partnerships".

regions of Quebec. In April 2000, the Agency announced the RSI for the Outaouais Region, "Toward Better Adapted Rural and Urban Partnerships, and in February 2001, the RSI for the Bas-Richelieu Regional County Municipality (RCM)". Other regional strategic initiatives will be unveiled during 2001.

Redirection of CJF funds to regional economic development agencies

In June 2000, the Honourable Jane Stewart, Minister of Human Resources Development, announced the abolition of the Canada Jobs Fund (CJF), specifying that the remaining monies would be redirected to the federal government's regional economic development agencies. Proposals are currently being reviewed as to how to use the funds that would be transferred to the Agency.

Infrastructure Program

In partnership with provincial, territorial and local governments, and with the private sector, Infrastructure Canada will lead to the renewal or creation of infrastructure that will support and link the economy and communities.

In addition to its regular programming, Canada Economic Development acts as the federal agency responsible for implementing the Canada-Quebec Infrastructure program.

The central objective of the program is to enhance the quality of life of all Canadians in both urban and rural communities, through investments that will improve the quality of the environment, support long-term economic growth and upgrade community infrastructure.

In October 2000, a new \$1.5-billion Canada-Quebec Agreement targeting infrastructure improvement was officially signed. The agreement provides for the Government of Canada to contribute one-third of the investment, with the other two-thirds to be funded by the Quebec government and different partners, the municipalities in particular.

□ Results-oriented organization

The Agency has reviewed all its existing management approaches and systems. It has designed a new automated program management system which will enhance the availability of the information needed to measure, evaluate and report on the main aspects of programming and program performance. Implementation of this system and of the new Financial Information Strategy (FIS) will facilitate management and reporting. The drafting of an annual audit and evaluation plan based on risk management will lead to accurate measurement of results and support managers in the establishment of a more productive planning, measurement, evaluation and communication cycle, as well as fostering the disclosure of results to the public. Implementation of all these elements should be even more conducive to results-oriented management and sound management of public funds.

2.2 Mandate, roles and responsibilities

Canada Economic Development's mandate is to promote the economic development of the regions of Quebec.

As a team key player in Quebec, the Agency works proactively, building on synergy arising from co-operation with several Government of Canada departments and agencies that influence the economic development of the regions of Quebec.

Part II of the *Department of Industry Act*, assented to in March 1995, defines the responsibilities of the Minister responsible for Canada Economic Development. In terms of regional economic development in Quebec, the Minister responsible for the Agency oversees the creation of approaches, policies and programs, the delivery of programs and services, the establishment of co-operative relationships with partners, and the analysis and dissemination of information.

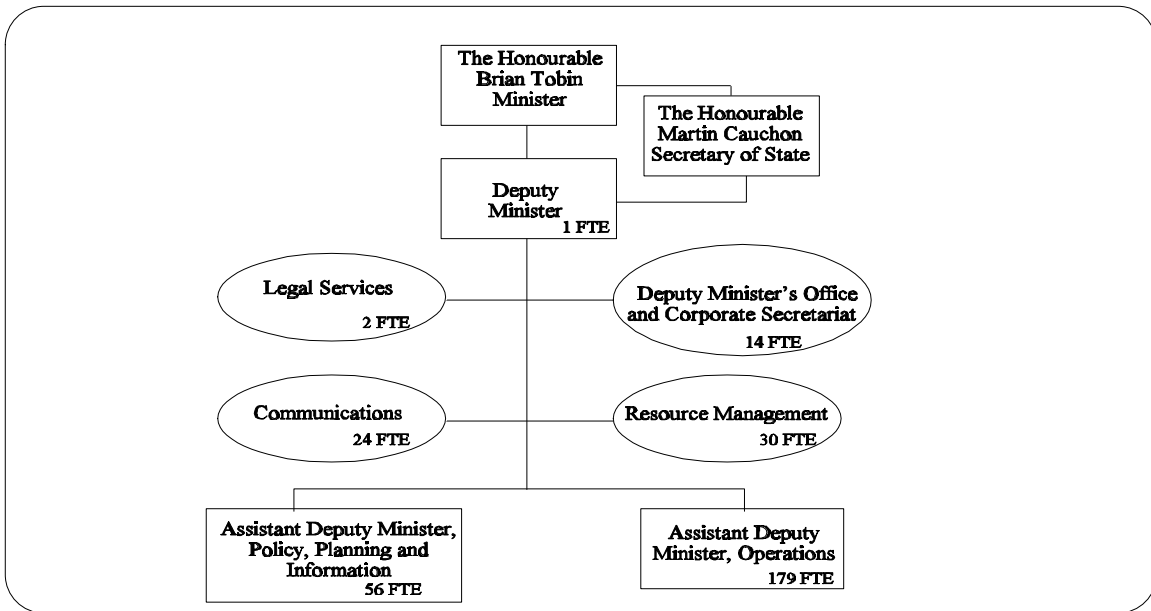
Canada Economic Development

The Honourable Brian Tobin and the Honourable Martin Cauchon are, respectively, Minister and Secretary of State responsible for the Economic Development Agency of Canada for the Regions of Quebec.

The Agency has its head office in Montreal and a network of 14 business offices in the different regions of Quebec, as well as an office in Hull for liaison with the machinery of government.

The Deputy Minister for Canada Economic Development reports to the Minister and the Secretary of State. The Deputy Minister is responsible for “*promoting the economic development of the regions of Quebec,*” the Agency’s sole business line [budget: \$355.7 million; number of employees: 306 full-time equivalents (FTEs)].

The Agency’s structure is shown in the organization chart below:



2.3 Objective

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

2.4 Planning context

2.4.1 Government of Canada priorities

Canada Economic Development regularly readjusts its focus and operating methods so as to participate optimally in achieving the major national priorities.

By the very nature of its mandate, the Agency acts on the Government of Canada's commitment to promoting equality of opportunity for all Canadians in pursuit of their well-being and fostering the economic development of the regions. In this regard, the Government of Canada pays special attention to rural communities, and to integrating young people, Aboriginals and other target groups, in the spirit of the major principles of Canada's social cohesion.

The Agency contributes to the attainment of the Government of Canada's aims with respect to the future of the country's economy: economic growth, job creation, achievement of Canada's full potential in both exports and investment, growth in innovation and knowledge, growth of SMEs, Canada's position as the most connected nation, and integration of sustainable development into how we do business.

The Government of Canada has set itself the goal of offering services of the highest quality to Canadians. The Agency follows the four main principles expressed in the Government of Canada's management framework, which can be summarized as follows: making Canadians the focus of government concerns; espousing optimal democratic, ethical and professional values; focussing management on the attainment of results and conveying them simply and understandably; and ensuring judicious spending, in view of the scarcity of public funds.

2.4.2 Economic context in Quebec

Quebec's economy, which is diversified and open to the outside world, is currently undergoing a period of transition to a new economic age featuring market globalization, where knowledge and

Quebec's economy is turning increasingly to high technology and the knowledge-based economy. This should limit the fallout from a potential slowdown in the U.S. economy.

competencies are becoming the main factors in competitiveness. Quebec's economy is turning increasingly to high technology and the knowledge-based economy. This switch has enabled it, among other things, to post vigorous growth since 1997, in marked contrast to the preceding period (1990-1997). For 1999, Quebec performed particularly well, with a 4.7% growth rate, higher than that recorded in the Rest of Canada (3.6%) and the United States (4.2 %). According to preliminary estimates, this strong growth was maintained in 2000, with a 4.3% growth rate. Employment growth and private investment, along with expansionist budget policy, led to sustained domestic demand for goods and services. Quebec exports benefited from sustained North American growth, particularly for high value-added goods such as aerospace, computer and telecommunications equipment. This type of export now outperforms natural resources, accounting for 25% of total exports in 1999. This growing diversification should enable the Quebec economy cope with an expected slowdown in the U.S. economy for 2001. The remote regions, however, which are largely dependent on natural resources, could be harder hit by declining demand for their products.

The Quebec economy's sustained move into knowledge-related sectors over the past decade has led to diversification of its industrial structure. On the other hand, the traditional sectors still occupy an important position in Quebec. Overall, SMEs in the traditional sectors have some difficulty in following technology and market trends. Long periods of inadequate private-sector investment and a low rate of adoption of leading-edge technology by Quebec firms have had an impact in terms of productivity, economic growth and employment. More recently, major efforts have been observed in investment. Thus, despite a relatively modest performance in overall capital spending, investment in advanced technology accounts for a growing proportion of total investment. In terms of research and development (R&D) spending, the Quebec economy has posted a strong increase over the past few years. The number of firms active in R&D has more than doubled in a decade. Quebec has held first place among Canadian provinces for more than 10 years for its R&D/GDP ratio, which stood at 2.1% in 1998, but still lags more than half a percentage point behind the ratios of Sweden, Japan, Switzerland, the U.S. and Germany.

The proportion of the population holding jobs has never been so high in Quebec, despite falling persistently behind the national average. More sectors partook of job creation than at any other time since the strong expansion of the late 1980s. Since 1997, people with less education have begun to benefit from this employment growth, unlike the period from 1990 to 1997, when only college or university graduates secured new jobs. An increase in full-time employment is also being seen, with most regions of Quebec posting improvements in their job markets. Nevertheless, despite this progress, Quebec has not made up much ground in relation to the national average, since the other provinces overall also enjoyed continuous employment growth.

The transition to a knowledge-based economy is a priority issue which Quebec has to continue to confront in order to ensure its development. The nature of this challenge depends on the region concerned.

Remote regions

The remote regions depend more on the exploitation of natural resources, and are thus directly affected by economic cycles and the vagaries of the international situation. A substantial portion of the regions in question are likely to see the dynamics of development driving the current restructuring of the Canadian economy pass them by.

Economies built more on the exploitation of natural resources are more vulnerable to economic cycles and the vagaries of the international situation.

Some remote regions are currently experiencing considerable difficulties owing to the unfavourable situation in many resource sectors, and seem little able to benefit substantially from these emerging new sectors, including those associated with new information technology.

The rural regions remote from major centres are vast and sparsely populated, and their demographic growth remains low. For some years, a marked exodus of young people to the cities has been observed. This migration today affects young workers, whose skills are sought-after in regions with stronger growth. As a result, these regions are facing two levels of difficulty. First, the loss of the upcoming generation discourages the establishment of new firms requiring new skills. Second, the aging of the population, which in many communities is already presenting serious challenges with respect to maintaining services nearby, is likely to accelerate. On the other hand, a number of rural municipalities located on the edge of major urban centres have enjoyed sustained demographic growth over the past decade.

Metropolitan regions

Montreal

Greater Montreal, which accounts for 46% of Quebec's population and 55% of the province's GDP, has posted an improved economic performance over the past few years. The region is increasingly carving itself out an enviable position in numerous leading-edge sectors, such as aerospace,

The competitive advantages the region has acquired over the past few decades allow it to excel now in the manufacture and assembly of high-tech products, while developing its capabilities in terms of knowledge-intensive services.

telecommunications, pharmaceuticals, information technology, biotechnology and health industries. With more than 2,200 establishments actively engaged in R&D and its numerous public research and higher education institutions, Montreal is Quebec's R&D hub. The competitive advantages the region has acquired over the past few decades allow

it to excel now in the manufacture and assembly of high-tech products, while developing its capabilities in terms of knowledge-intensive services. With more than 70 head offices of international agencies, Montreal is increasingly becoming an international metropolis. But this relatively recent good performance by Montreal's economy must not allow us to forget the work that remains to be done. For a series of key indicators, such as employment rate, unemployment rate and income per inhabitant, Montreal still lags behind the 24 main large cities in North America (its 7.7% jobless rate in 2000 was higher than Toronto's 5.5% and Vancouver's 5.9%, and remains above the Canadian average of 6.8%). In order to preserve the gains and pursue the restructuring now under way, the region will have to continue to develop its high-technology niches and consolidate its international outreach in order to withstand successfully the competition from other large North American cities.

Quebec City and Hull

Boosted by their administrative roles, their institutions of higher education and their research centres, the Quebec City metropolitan area and the Quebec segment of the Ottawa-Hull National Capital Region, to a lesser extent, are gradually making their mark in certain niches of the new economy.

A large number of knowledge-based enterprises and institutions have set up in the Quebec City and Hull metropolitan areas in the past few years.

A large number of knowledge-based enterprises and institutions have set up in Quebec City in the past few years, such as the *Centre national des nouvelles technologies de Québec* (Quebec City-based provincial centre for new technology), the National Optics Institute and the administrative offices of the networks of centres of excellence in photonics and geomatics at Laval University. The region has also seen substantial growth in the number of enterprises in the biomedical sector. The tertiary sector largely predominates, with the presence of government offices and the importance of tourism. As a tourist destination, the Quebec City region is second in the province only to Montreal.

The Outaouais is better placed than ever to diversify further toward the new economy, notably in geomatics, computer graphics and database management.

Ottawa-Hull is Canada's fourth largest urban area, and should see demographic growth surpassing that of Quebec as a whole over the next 15 years. Its population will remain younger than the Quebec average. Some 40 information technology firms account for more than 2,600 jobs on the Quebec side, substantially less than the 70,000 positions on the Ontario side in 2001. But attractive tax benefits, the availability of venture capital, advantageous real estate prices, and the developing support and linkage network mean the Outaouais Region, or at least its urban

section, is better placed than ever to diversify further toward the new economy, notably in geomatics, computer graphics and database management.

Outlying urban areas

The outlying urban areas are increasingly capitalizing on their universities to participate in the knowledge economy.

The metropolitan areas of Sherbrooke, Trois-Rivières and Chicoutimi-Jonquière and the urban areas of Rimouski and Rouyn-Noranda are also increasingly capitalizing on their universities to participate in the knowledge economy. They are developing their expertise in fields where the scientific and technical knowhow of their human resources gives them an edge. While a large proportion of new-economy industries are concentrated in the Greater Montreal area, Quebec City and Ottawa-Hull, various particularly dynamic niches have developed in the intermediary urban centres, notably in the ground transportation and metal products sectors.

On the other hand, the economic situation of these regions remains a cause for concern. Indeed, some of them posted job creation rates lower than areas with under 100,000 inhabitants, recording in 2000 the highest jobless rates of Canada's 25 metropolitan areas. Moreover, the industrial base of several of these urban centres remains concentrated in more traditional sectors which are not technology-intensive.

2.5 Spending Plan

Planned Spending (\$ thousands)	Forecast Spending 2000-2001	Planned Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004
Budgetary Main Estimates (gross) ¹	263,130	355,738	350,981	344,109
Non-Budgetary Main Estimates (gross)	--	--	--	--
Less: Respendable revenue	--	--	--	--
Total Main Estimates	263,130	355,738	350,981	344,109
Adjustments ^{2,3}	(29,830)	(10,655)	(12,000)	(11,000)
Net Planned Spending	233,300 ⁵	345,083	338,981	333,109
Less: Non-respendable revenue ⁴	(52,500)	(49,500)	(49,500)	(49,000)
Plus: Cost of services received without charge	3,188	3,772	3,777	3,777
Net cost of Program	183,988	299,355	293,258	287,886
Full-time Equivalent (FTE)	302	306	306	305

¹ Compared with 2000-2001, the planned increase in the "Budgetary Main Estimates (gross)" item over the next three years is primarily due to the new Infrastructure Program, implementation of which is entrusted to Canada Economic Development under a special mandate.

Considering only the Agency's basic programming IDEA-SME, Regional Strategic Initiatives (RSIs), the Canadian Support Program for the Gaspé Economy and the Community Development Program (CDP), the credits allocated to Canada Economic Development under "Grants and Contributions" are as follows: \$148.6 million initially authorized for 2000-2001 (namely, \$126.2 million following adjustments with respect to Note 2 below); \$168.7 million in 2001-2002; \$162.8 million in 2002-2003; and \$162.7 million in 2003-2004.

² The adjustments for 2000-2001 take into account approvals obtained since the tabling of the Budget including the new initiatives. They also stem from the reprofiling of funds to subsequent years, transfers of funds to other departments for joint funding of initiatives and the downward forecast as to losses incurred under the *Small Business Loans Act*.

³ The adjustments for the next three years reflect fund transfers to other department for joint funding of initiatives.

⁴ Non-respendable revenue consists mainly of loan guarantee service charges, and refunds of previous years' expenditures. Details of non-respendable revenue are presented in Table 5.3, Section V.

⁵ Reflects the best forecast of total net planned spending to the end of the current fiscal year.

Section III
Agency Plans, Results, Activities and
Resources

3.1 Detailed information on the Agency's business line S
PROMOTION OF THE ECONOMIC DEVELOPMENT OF THE REGIONS OF
QUEBEC

3.1.1 Objective

To help increase and realize the economic development potential of the regions of Quebec.

3.1.2 Description

The main activity of this business line is:

- THE DESIGN AND IMPLEMENTATION OF CANADA ECONOMIC DEVELOPMENT POLICIES AND PROGRAMS to promote the economic development of the regions of Quebec. The Agency develops initiatives and action plans and provides information services and technical and financial assistance for a clientele consisting of small and medium-sized enterprises (SMEs) and other local and regional economic development players.

The business line also involves the following activities:

- PARTICIPATION IN THE IMPLEMENTATION OF NATIONAL ECONOMIC DEVELOPMENT PRIORITIES, as a member of the Industry Portfolio, in order to maximize the benefits for every region of Quebec.
- HARMONIZATION OF FEDERAL ACTIVITIES, by:
 - 1.0 Contributing to the integrated management of Quebec regional economic development issues of concern to the Government of Canada.
 - Designing and implementing multi-sectoral federal strategies and action plans for the economic development of the regions of Quebec.
 - Creating economic adjustment measures to adapt the application of some national policies to the regional concept.
- ESTABLISHMENT OF CO-OPERATIVE RELATIONSHIPS with other public and private socio-economic stakeholders, particularly the Community Futures Development Corporations (CFDCs), in order to better serve Quebec regions and SMEs.

Canada Economic Development

- ❑ ADVOCACY WITHIN THE MACHINERY OF THE GOVERNMENT OF CANADA to optimize the impact of national policies and programs on development of the economy of the regions of Quebec.
- ❑ PROMOTION OF FEDERAL PROGRAMS AND SERVICES intended for SMEs and economic development stakeholders.
- ❑ DEVELOPMENT OF KNOWLEDGE AND DISSEMINATION OF INFORMATION:
 - Developing knowledge and disseminating information on economic development issues related to the regions and SMEs.
 - Informing residents in the regions of Quebec, especially enterprises and stakeholders, about Government of Canada policies, strategies and initiatives affecting the economic development of the regions.
- ❑ DESIGN AND IMPLEMENTATION OF SPECIAL ECONOMIC DEVELOPMENT AND JOB CREATION MANDATES IN QUEBEC in order to respond, on behalf of the Government of Canada, to specific economic issues, often on an ad-hoc basis.

3.1.3 Development issues

Canada Economic Development focusses its activities on four main economic development issues that, for Quebec SMEs and regions, represent both opportunities for development and challenges to be met:

The first issue, *the changing global economic environment*, requires Quebec regions and enterprises to enter dynamically into the new, emerging economic environment. This involves learning to master the new competitiveness factors introduced by the advent of the knowledge economy; responding to the need to innovate constantly, and ever more rapidly; participating in partnership networks to deal with increasingly complex technologies and markets; and seizing new business opportunities resulting from market globalization and rapidly growing world demand for certain types of products and services.

The second issue consists in increasing *local stakeholders' participation in development of their own economies*, an essential condition for success. This issue requires local and regional stakeholders to take charge of their communities' development; preparation of a new generation of entrepreneurs for the economic development of the regions; and greater participation in the business world by certain citizen groups.

The third issue, *development for disrupted economic zones*, concerns participation by remote regions in the growth of the new economy. Currently, this type of economy is developing primarily in urban settings; outlying regional economies are slower to benefit from the development of new industrial sectors, the engines of economic development. Several Quebec regions traditionally oriented toward natural resource

development are experiencing difficult economic transitions, associated not only with the problem of sustained resources but also, and above all, with the transition to a knowledge economy.

The fourth issue, *sustainable development*, attempts to reconcile local and regional economic development and environmental friendliness. Enterprises will have to continue to adjust to new environmental requirements, while technology sector and environmental service enterprises will see new business opportunities appear. As to communities, their economic development strategies will have to include the environmental aspects.

3.1.4 Strategic targets

To take action on these issues, the Agency works on seven strategic targets, in two main areas of activity:

- ❑ ***Enterprise development:***
 - S information and awareness for enterprises;
 - S establishment of strategic enterprises;
 - S increased competitiveness of SMEs aiming to expand into foreign markets;
 - S development of small enterprises of local and regional scope.

- ❑ ***Improving the environment for economic development of the regions:***
 - S increasing communities' ability to energize the development of their own economy;
 - S economic enhancement of regional assets;
 - S development and strengthening of "knowledge"-based competitive advantages.

The Agency's planning is built around its two main areas of activity, as may be seen from the presentation of the Key Results commitments, shown in section 3.2.

3.1.5 Agency priorities

Canada Economic Development is building on a balanced approach so that, over a three-year horizon (2001-2002 / 2003-2004), 50% of the Agency's new financial commitments will be devoted to *Enterprise development*, while the other 50% of new commitments will be used to foster *Improvement of the environment for economic development of the regions*.

To achieve the desired balance, Canada Economic Development will have to intensify its initiatives to improve the environment for economic development of the regions. The Agency will consequently step up its activities in support of local and

Canada Economic Development

regional economic development stakeholders as they strive to anticipate and properly assess emerging strategic issues, mobilize and join together to deal with them, and acquire the means to have an impact on the new conditions for economic development. With local and regional partners, and frequently in conjunction with other Government of Canada departments and agencies, the Agency will increase its technical and financial support for the design and implementation of projects with strategic impact which present beneficial spinoffs for the development of regional economies, enhance development assets specific to the regions or develop and strengthen the regional knowledge infrastructure and its networks.

On the enterprise development front, Canada Economic Development will further encourage Quebec SMEs to enhance their competitiveness, particularly through new business practices, adoption of new production technologies and development of electronic commerce. The Agency will aim to foster further the growth of technological enterprises starting up and expanding.

The Agency will involve federal departments and agencies more closely in the design of strategic initiatives for the economic development of the regions of Quebec. To enable its business offices to focus more on activities to work together with and mobilize local and regional economic development stakeholders, the Agency will continue to develop partnerships with various intermediary groups, making allowance for the context of municipal mergers.

Canada Economic Development will give high priority to ensuring that its new program in support of the recovery of the Gaspé economy maintains the cruising speed it achieved shortly after it was launched. This region faces a particularly difficult situation owing to the closing of major enterprises in addition to the depletion of groundfish stocks in the Atlantic fisheries.

Canada Economic Development will continue to develop its Web site, in line with the *Government Online* initiative. The Agency will also see to maintaining its clients' high level of satisfaction. Finally, it will continue to give high priority to implementing continuous performance measurement, in order to strengthen results-oriented management, and will adjust its measurement framework so that it properly reflects the Agency's new strategic directions. Implementation of a new automated program management system will enhance the availability of information required to measure, evaluate and report on the main planned results.

3.1.6 Canada Economic Development programming

The Agency has various programs and services for taking action on its strategic targets and thus working toward the goals of its strategy and priorities.

□ **The Agency's financial assistance programs**

The Agency provides financial assistance through the following programs:

IDEA-SME: This program is intended for a clientele consisting of Quebec SMEs and the organizations supporting them. IDEA-SME provides financial support for small and medium-sized enterprises' activities in the following areas:

- R **I**nnovation, research and development;
- R **M**arket development;
- R **E**xports;
- R **A**nd entrepreneurship and development of the business climate.

REGIONAL STRATEGIC INITIATIVES (RSI): This program consists in developing and implementing strategies and action plans to foster the emergence of a socio-economic environment conducive to strengthening the assets and competitive advantages of Quebec regions. The RSI program allows for the support of major initiatives likely to have a strategic impact on the regional economy.

COMMUNITY FUTURES PROGRAM (CFP): This national program provides support to communities in all parts of the country for taking charge of their own local economic development. In Quebec, the CFP provides financial support for 54 Community Futures Development Corporations (CFDCs), and also supports Community Economic Development Corporations (CEDCs) and Business Development Centres (BDCs).

SPECIAL FUND FOR THE ECONOMIC DEVELOPMENT AND ADJUSTMENT OF QUEBEC FISHING COMMUNITIES (COASTAL QUEBEC): This fund involves the implementation of measures to support the economic and community development of communities affected by the restructuring of the fishing industry on the North Shore, in the Gaspé and on the Magdalen Islands, and in adjacent fishing communities.

CANADIAN SUPPORT PROGRAM FOR THE GASPÉ ECONOMY: This program is a special measure to improve the economic situation in the Gaspésie region. It is in addition to Canada Economic Development's regular activities and gives priority to the following elements:

- enhancement of federal infrastructure;
- development of medium-sized enterprises;
- young people;
- local empowerment;
- emerging initiatives.

INFRASTRUCTURE PROGRAM: Canada Economic Development acts as the federal department responsible for implementation of the Canada-Quebec Infrastructure Program.

Canada Economic Development

The objective of this program is to upgrade municipal, urban and rural infrastructure in Quebec as well as Quebecers' quality of life, through investments aimed at enhancing the quality of the environment, supporting long-term economic growth and upgrading community infrastructure.

CANADA SMALL BUSINESS FINANCING ACT (CSBFA): The objective of the Canada Small Business Financing is to encourage participating lending institutions to increase the availability of loans for the establishment, expansion, modernization and improvement of small business enterprises. Application of this Act, including all administrative arrangements, is the responsibility of the Department of Industry, but the costs of this program in Quebec are reported in the Agency accounts. This statute superseded the *Small Business Loans Act (SBLA)* in 1998.

Other services provided by the Agency and its partners:

Dissemination of general or strategic information (business opportunities on foreign markets, new business practices, emerging issues, etc.) to SMEs and agencies supporting them, through direct Agency activities or its partnership network, is an important component in Canada Economic Development's Enterprise development strategy.

The Agency is also very active in economic leadership activities within Quebec communities. In this way, it aims to inform and sensitize economic development stakeholders concerning new, emerging development factors while seeking to mobilize them and create partnerships to elicit the creation of initiatives generating significant spinoffs for the regions concerned.

Finally, the component involving advocacy within the Government of Canada and public consultation on local and regional economic development issues is another area of Agency activity.

Canada Economic Development's emerging priorities will gradually lead it to lay greater emphasis on the delivery of these services. The Agency will also emphasize the use of intermediary groups to support it in serving its business clients.

3.2 Chart of Key Results Commitments for the next three years (2001-2004)

Canada Economic Development targets two main areas of activity, *Enterprise development* and *Enhancement of the environment for economic development of the regions*, on the basis of which the Agency's key commitments, main planned results and key related activities are identified.

1. ENTERPRISE DEVELOPMENT

Resources: \$185 million over three years

Key Results Commitments	Planned Results 2001-2004	Related Activities
<p>1.1 General information and raising of awareness</p> <p>Increase enterprises' access to information likely to enlighten their business decisions</p>	<p>Responding to 750,000 requests for information</p>	<ul style="list-style-type: none"> • Agency financial support for Canada Business Service Centres (Info-entrepreneurs, <i>Ressources Entreprises</i> and Quebec chambers of commerce) • Dissemination of information at Conference/Info-Fairs • Delivery of information on assistance programs, information/advice and strategic information through the Agency's business offices
<p>1.2 Establishment of strategic enterprises</p> <p>Support the establishment of enterprises in economic activities considered strategic for the development of a region</p>	<p>300 entrepreneurs assisted in their new SME pre-startup or startup projects</p>	<p>Financial support</p> <ul style="list-style-type: none"> • for operating costs of technology incubators • for establishment of innovative enterprises through SME Development Assistance Funds

Key Results Commitments	Planned Results 2001-2004	Related Activities
<p>1.3 Competitiveness</p> <p>1.3.1 New business practices</p> <p>Increase the number of enterprises using new business practices to maintain and strengthen their competitiveness</p>	70 SMEs made aware and guided in their management of sustainable development and the environment	Financial support provided for Enviroclub activities in conjunction with Environment Canada and the National Research Council of Canada (NRCC)
<p>1.3.2 Process, equipment and product innovation</p> <p>Increase enterprises' ability to adapt and test a new or improved product, service or production process</p>	1,700 SMEs made aware of technological innovation and productivity	<ul style="list-style-type: none"> • Financial support provided for workshops and information tours through Info-Fairs and other activities by Agency partners • Partnerships with several intermediary groups • Organization of seminars in partnership with certain federal departments•
	1,200 SMEs visited by an engineer to evaluate their technological capabilities	Financial support provided for the <i>Opération PME</i> program of the Quebec Order of Engineers
	60 technological and knowledge-oriented SMEs with access to conventional financing	Partnership with financial institutions to encourage loans to technological enterprises
	Completion of 125 diagnoses for enhancing productivity	Financial support for SMEs to obtain the required expertise
	300 product or process development and productivity enhancement projects	Financial support for various types of projects

Key Results Commitments	Planned Results 2001-2004	Related Activities
<p>1.3.3 Marketing</p> <p>Increase on a priority basis the capability of enterprises to market their products internationally</p>	<p>5,000 SMEs made aware of the development of international markets or electronic commerce</p>	<p>Financial support</p> <ul style="list-style-type: none"> • to the World Trade Centre and regional export promotion organizations (ORPEX) • for initiatives of the Electronic Commerce Institute and Technologies Polydev Inc. • for development activities of tourism sector partners
	<p>900 export-related projects carried out by SMEs</p>	<ul style="list-style-type: none"> • Export preparation workshops (NEXPRO) • Intelligence service on foreign markets and provision of export advice in co-operation with regional export promotion organizations (ORPEX) • Financial support to the guidance service for trade missions carried out by new exporters (NEBS) • Agency financial support for marketing strategies
<p>1.4 Development of small enterprises</p> <p>Foster the growth of small local and regional enterprises</p>	<p>1,500 startups, expansions or refinancings of small enterprises</p>	<p>Financial support under the:</p> <ul style="list-style-type: none"> • Community Futures Program (CFP) through Community Futures Development Corporations (CFDCs), Community Economic Development Corporations (CEDCs) and Business Development Corporations (BDCs) • Rural Enterprise Initiative in the Bas-Saint-Laurent, Outaouais and Côte-Nord regions • Coastal Quebec Fund

2. IMPROVING THE ENVIRONMENT FOR ECONOMIC DEVELOPMENT OF THE REGIONS

Resources: \$190 million over three years

Key Results Commitments	Planned Results 2001-2004	Related Activities
<p>2.1 Ability of communities to energize the development of their economy</p> <p>Increase local and regional stakeholders' ability to foster the emergence of projects aimed at creating or strengthening a region's distinctive competitive advantages</p>	3,000 economic development players informed and mobilized to energize the development of the regions	Financial support to intermediary organizations
	3,000 young students made aware of careers in the business world	<ul style="list-style-type: none"> • Support for the activities of the Association of Student Entrepreneur Clubs, the Quebec Entrepreneurship Contest and the <i>Fondation de l'entrepreneurship</i> • Partnership with educational institutions to promote entrepreneurship
	230,000 TV viewers made aware of regional economic development issues	Financial support to the McLean-Hunter Chair at the <i>École des HEC</i> for broadcasting of the <i>Circuit PME</i> television series
	Major events and activities marketed internationally	Financial support for international marketing of festivals and major tourist events and for international marketing strategies by regional tourism associations (ATRs) and ATR groups
	Regional stakeholders informed of the economic context and made aware of new development issues	<ul style="list-style-type: none"> • Dissemination of the findings of research conducted by the Agency and its partners • Agency technical and financial support for the organization of seminars, symposiums and public forums
	Opportunities provided for regional and local populations to express their views to federal ministers concerning development priorities in their communities and regions	Agency technical support for the organization of meetings between local and regional economic development players and Government of Canada ministers

Key Results Commitments	Planned Results 2001-2004	Related Activities
2.2 Economic enhancement of regional assets Support the completion of projects aimed at creating or strengthening assets likely to generate a strategic impact on the economy of a region	Investment of \$1.5 billion by various economic development players in the Montreal International District (QIM) from 2000 to 2004	Financial support for the creation of regional assets in different niches
	Investment by various players for implementation of projects with a strategic impact	Financial support for projects with a strategic impact in the regions
	Increase in tourist traffic at the sites supported	Financial support for major recreational and tourism facilities, in partnership with local stakeholders and other Government of Canada departments and agencies
2.3 Development of knowledge-based competitive advantages Support the completion of knowledge-related infrastructure projects and transfer activities	Establishment and expansion of 10 research or technology transfer institutions	Financial support for the different federal initiatives for establishing or strengthening knowledge economy-related infrastructure
	10 nominations for the establishment of research or technology transfer centres	Financial support for the preparation of proposals with a view to nominating them for the different federal innovation initiatives

3. Special mandate

Key Results Commitments	Planned Results 2001-2004	Related Activities
3. Special mandate Upgrade municipal, urban and rural infrastructure in Quebec along with quality of life	<ul style="list-style-type: none"> Upgrading of community infrastructure Establishment of 21st Century infrastructure adopting best technologies, new approaches and best practices 	Canada-Quebec Infrastructure Agreement

Section IV Joint Initiatives

4.1 Horizontal initiatives

Sustainable Development Strategy (SDS), 2000-2003 action plan

The Agency's second SDS was tabled in February 2001. Its action plan covers the years 2000-2003, and follows on from the first SDS.

Key Results Commitments	Planned Results 2000-2003	Related Activities
<p>Enable the environmental industry to meet global competition</p> <ul style="list-style-type: none"> • Networking and concerted action • Development of innovative environment- and sustainable development-related products and services • Support for marketing of environment industry products and services 	<ul style="list-style-type: none"> • Consultation of some 100 environment industry firms to derive a picture of the issues, challenges and development factors of the industry and of <i>concerted</i> action strategies and plans • Financial support for 5 study projects; 3 technology platforms; 10 experimental projects concerning eco-efficient products or processes • Support for 20 development and marketing projects 	<ul style="list-style-type: none"> • Establishment of a joint committee to elicit and foster the participation of the main community stakeholders, and representatives of the environment industry • Consultation of industry, circulation of results of this consultation • Financial support for studies, experiments with eco-efficient products or processes, creation or startup of technology platforms, and trade fairs, such as Americana, Polutech, Globe, Environmental Technologies Trade Show, etc. • Maintenance of access to scientific and technical skills through the Canadian Technology Network and the agreement with Environment Canada

Key Results Commitments	Planned Results 2000-2003	Related Activities
<p>Prompt SMEs to adopt sound environmental management practices</p> <ul style="list-style-type: none"> Enhancement of SMEs' environmental performance 	<ul style="list-style-type: none"> Participation of 70 SMEs in Enviroclubs Support for environmental management system implementation projects Completion and dissemination of a needs analysis for SMEs in this field 	<ul style="list-style-type: none"> Making SMEs aware and empowering them to set up sound environmental management practices through Enviroclubs Completion of closely guided projects for establishment of environmental management systems Linkage with other sectoral departments toward a better understanding of the issues and of enterprises' needs
<p>Continue internal greening efforts</p> <ul style="list-style-type: none"> Continuation of recycling and waste reduction measures 	<ul style="list-style-type: none"> Extend the multi-product recycling program to all Agency business offices 22% of Agency vehicles equipped with hybrid engines 	<ul style="list-style-type: none"> Inventory of the situation, start of negotiations with some office building owners for installation of the multi-product recycling program Transmittal of our needs to Public Works and Government Services Canada (PWGSC) to improve federal resource-use performance
<p>Ensure a shared vision of sustainable development</p> <ul style="list-style-type: none"> within the Agency with Agency partners 	<ul style="list-style-type: none"> Raising personnel awareness Training of majority of advisors (at least one representative per business office) in co-operation with Agency partners Agreements with Agency partners 	<ul style="list-style-type: none"> Inventory and needs analysis Development of an information kit Review of agreements with partners Participation in the Symposium of Federal Public Servants on Greening and Sustainable Development Dissemination of concerted action plans
<p>Conduct better reporting</p>	<ul style="list-style-type: none"> Information accessible to all employees Annual accounting to senior management 	<ul style="list-style-type: none"> Improvement in the information transmittal system Systematic production of simple, understandable information

4.2 Collective initiatives

In a context of globalization of social and economic issues, public organizations are more than ever urged to work in a concerted partnership approach and to meet challenges associated with the mandates of several departments and several fields of political responsibility.

Below are some examples of group initiatives in which the Agency participates:

Collective Initiative	Key Result Commitment	List of Partner(s)	Money allocated by Partners	Planned Results
Team Rural Quebec	<ul style="list-style-type: none"> • Interdepartmental action plan • Evaluation framework • Communication plan • Interdepartmental Committee in four pilot regions 	18 departments and agencies	Partners' regular programming <ul style="list-style-type: none"> • 6 FTEs (incl. 1.5 from CED) • \$60,000 (incl. \$20,000 from CED) 	Improved service delivery measured on the basis of indicators determined in the evaluation framework
Technological infrastructure in the aerospace industry	Development of a knowledge-based competitive advantage; period: 2000-2005	NRC / CED	CED: \$25M NRC: \$21.5M	Establishment of an Advanced Aerospace Manufacturing Technology Centre in Montreal
Montreal Centre of Excellence for Environmental Site Remediation (MCEESR)	Platform for research and demonstration of technologies and methodologies for management and decontamination of urban soils	CED/NRC Biotechnology Research Institute / EC Provincial departments/ City of Montreal/ Private sector	Federal contribution: \$4M Provincial contribution: \$3.5M Private sector for five years: \$20M	Development of technologies and methodologies aimed at rehabilitation of contaminated soils

¹ See the evaluation framework at www.rural.ca

Collective Initiative	Key Result Commitment	List of Partner(s)	Money allocated by Partners	Planned Results
Enviroclubs	Raised awareness, training and financial and technical support for completion of pollution prevention and environmental management projects; for the period: 2000-2002	EC / CCAF ² NRC / CED / regional organizations	EC: 3 FTEs and \$100,000 CCAF \$200,000 NRC \$90,000 CED \$180,000 Private \$75,000	25 SMEs to adopt pollution prevention and sound environmental management practices
Subsidy to Quebec Port Authority	Economic enhancement of a regional asset	PWGSC / CED	CED: \$10M PWGSC: \$9.3M	Redevelopment of cruise ship terminal at Pointe-à-Carcy

² Climate Change Action Fund

Section V
Financial Information

Table 5.1: Summary of Transfer Payments

Transfer Payments (\$ thousands)	Forecast Spending 2000-2001	Planned Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004
<i>Promotion of the economic development of the regions of Quebec</i>				
Grants	8,300	10,300	4,850	2,030
Contributions ¹	187,820	297,447	296,905	294,373
Total Grants and Contributions	196,120	307,747	301,755	296,403

¹ The increase in planned spending for the next three years compared with 2000-2001 is primarily attributable to implementation of the new Infrastructure Program.

Table 5.2: Information on the Transfer Payments Program

<i>Promotion of the economic development of the regions of Quebec</i>	
Objective	Contribute to enhancing and realizing the economic development potential of the regions of Quebec
Planned results	<ul style="list-style-type: none"> • Improved access for enterprises to information likely to enlighten their business decisions. • Establishment and expansion of enterprises in economic activities considered strategic for the development of a region • Competitiveness of small and medium-sized enterprises (SMEs) maintained and enhanced, i.e.: <ul style="list-style-type: none"> S Larger number of SMEs mastering new business practices S Greater ability of SMEs to adapt and test a new or improved product, service or production process S Greater ability of SMEs to market their products internationally • Growth of small local and regional enterprises • Enhanced ability of local and regional stakeholders to elicit the emergence of strategic projects creating or strengthening the distinctive competitive advantages of a region • Regional assets enhanced so as to generate a strategic impact on the economy of a region • Knowledge infrastructure developed in the regions, increased technology transfer activities in the regions
Milestones	<p>Continued implementation of continuous performance measurement so as to reinforce results-based management</p> <p>Evaluation plan, drawn up annually</p> <p>Training of Agency advisors and managers on performance measurement and evaluation</p> <p>Perfection, in 2000-2001, of analytical and reporting tools for reporting on results obtained</p> <p>Maintenance of ISO certification</p>

Information on Agency programs and services is presented in Section 3.1.6 of this Report.

Table 5.3: Source of Non-Respendable Revenue

Non-respendable Revenue (\$ thousands)	Forecast Revenue 2000-2001	Planned Revenue 2001-2002	Planned Revenue 2002-2003	Planned Revenue 2003-2004
<i>Promotion of the economic development of the regions of Quebec</i>				
Service charges - Loan guarantees ¹	31,000	28,000	28,000	27,500
Recovery of expenditures from previous fiscal years ²	20,500	20,500	20,500	20,500
Year-end creditor adjustments	1,000	1,000	1,000	1,000
Total Non-Respendable Revenue	52,500	49,500	49,500	49,000

¹This item represents charges paid by approved lenders under the *Small Business Loans Act*, the *Canada Small Business Financing Act* and the "Loan Insurance" component of the *Atlantic Enterprises Program*.

²This item refers primarily to the reimbursement of repayable contributions made by the Agency.

Table 5.4: Net Cost of Program for 2001-2002

Net Cost of Program for 2001-2002 (\$ thousands)	Promotion of the Economic Development of the Regions of Quebec
Net Planned Spending	345,083
<i>Plus: Services Received without Charge</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	2,279
Contributions covering employer's share of employees' insurance premiums and expenditures paid by the Treasury Board Secretariat (TBS)	1,402
Salary and associated expenditures for legal services provided by Justice Canada	91
	3,772
<i>Less: Respendable Revenue</i>	---
<i>Less: Non-Respendable Revenue</i>	(49,500)
	299,355
Net cost of Program for 2001-2002 (total planned spending)	299,355

Section VI
Other information

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Index

A

Abitibi, 39
Aboriginals, 13
Address book, 39

B

Bas-Saint-Laurent, 39
(BDC), 10,23

C

Canada Jobs Fund, 10
Canada-Quebec Agreement, 10
Canada Small Business Financing Act
(CSBFA), 24, 37
Canadian Support Program For The
Gaspé Economy, 5, 9, 18, 23
Centre-du-Québec, 39
Chaudière-Appalaches, 40
Chicoutimi-Jonquière, 17
Commitments, 9, 21, 25, 28, 29, 31
Community Economic Development
Corporations, CEDC, 23, 27
Community Futures Development
Corporations, CFDCs, 19, 23, 27
Community Futures Program, CFP, 23,
27
Côte-Nord, 23, 27, 39

D

Development potential, 3, 19, 36
Drummondville, 39

E

Electronic commerce, 22, 27
Enterprise development, 4, 5, 9, 21, 22,
24, 25
Environment Canada, EC,
Estrie, 39

G

Gaspésie, 5, 9, 23, 39
Government of Canada, 5, 10, 11, 13,
24, 28, 29
Government Online, 22

H

Head office, 12, 16, 40
Hull, 12, 16, 17, 30

I

IDEA-SME, 18, 23
Îles-de-la-Madeleine, 5, 9, 23, 39
Improving the environment for economic
development of the regions, 9, 21,
28
Infrastructure program, 10, 18, 23
Innovation, 3-5, 13, 26, 29
Intermediary groups, 22, 24, 26
ISO, 36

K

Knowledge-based economy, new
economy, 3, 13, 14, 20

L

Lac-Saint-Jean, 40
Lanaudière, 39
Laurentides, 39
Laval, 16, 39

M

Mauricie, 40
Montérégie, 40
Montreal, 39

N

National Research Council Canada, 3, 40
Nord-du-Québec, 40

O

Outaouais, 10, 16, 27, 40

P

Planned results, 7, 22, 25, 28, 29, 36, 42
Planning and Reporting Accountability
Structure (PRAS), 7
Pre-startup, 25
Promoting the economic development of
the regions of Quebec, 12

Q

Québec, 16, 17, 19, 20, 22-24, 25-29,
33-40

R

Regional export promotion
organisations, ORPEX, 27
Regional Strategic Initiatives, RSI, 10,
18, 23
Research, Research and Development,
R&D, 3, 14-16, 23, 26, 28, 29
Rimouski, 17, 39
Rural enterprise, 27

S

Saguenay, 40
Sherbrooke, 17
Small business(es), Small and medium-
sized business, SMEs, 5, 13-14,
18-27, 32-37
Small Business Loans Act (SBLA), 18,
24, 37
Special Fund for the Economic
Development and Adjustment of
Quebec Fishing Communities, 23
Startup, 25, 27, 31
Strategic targets, 21, 22
Sustainable Development Strategy, SDS,
21, 26, 31

T

Technology platforms, 31
Technology transfer, 29, 36
Témiscamingue, 39
Trois-Rivières, 17

U

Universities, 17

W

Web site, 22

Y

Young people, 13, 15, 23