



# **Canada**

# **Economic Development**

# **for Quebec Regions**

## Performance Report

For the period ending  
March 31, 2002

**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 of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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 funds.

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## Foreword

In the spring of 2000, the President of the Treasury Board tabled in Parliament the document “Results for Canadians: A Management Framework for the Government of Canada”. This document sets a clear agenda for improving and modernising management practices in federal departments and agencies.

Four key management commitments form the basis for this vision of how the Government will deliver their services and benefits to Canadians in the new millennium. In this vision, departments and agencies recognise that they exist to serve Canadians and that a “citizen focus” shapes all activities, programs and services. This vision commits the Government of Canada to manage its business by the highest public service values. Responsible spending means spending wisely on the things that matter to Canadians. And finally, this vision sets a clear focus on results – the impact and effects of programs.

Departmental performance reports play a key role in the cycle of planning, monitoring, evaluating, and reporting of results through ministers to Parliament and citizens. Departments and agencies are encouraged to prepare their reports following certain principles. Based on these principles, an effective report provides a coherent and balanced picture of performance that is brief and to the point. It focuses on outcomes - benefits to Canadians and Canadian society - and describes the contribution the organisation has made toward those outcomes. It sets the department’s performance in context and discusses risks and challenges faced by the organisation in delivering its commitments. The report also associates performance with earlier commitments as well as achievements realised in partnership with other governmental and non-governmental organisations. Supporting the need for responsible spending, it links resources to results. Finally, the report is credible because it substantiates the performance information with appropriate methodologies and relevant data.

In performance reports, departments and agencies strive to respond to the ongoing and evolving information needs of parliamentarians and Canadians. The input of parliamentarians and other readers can do much to improve these reports over time. The reader is encouraged to assess the performance of the organisation according to the principles outlined above, and provide comments to the department or agency that will help it in the next cycle of planning and reporting.

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This report is accessible electronically from the Treasury Board of Canada Secretariat Internet site:  
<http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

Comments or questions can be directed to:

Results-based Management Directorate  
Treasury Board of Canada Secretariat  
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# Economic Development

# Canada



## Estimates

For the period ending March 31, 2002

*Performance Report*



**Allan Rock**

Minister Responsible for the  
Economic Development Agency of Canada  
for the Regions of Quebec





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The *2001-2002 Departmental Performance Report* of the Canada Economic Development Agency for Quebec Regions aims to report on the performance of the Agency's intervention, as observed on March 31, 2002, with regard to projects in progress during the 2001-2002 fiscal year. It is intended for the Parliament and people of Canada. It provides an overview of the Agency's various initiatives and their impact. It also reports on the situation with respect to departmental commitments made in the *2001-2002 Report on Plans and Priorities*. That report may be consulted on the Agency's Web site at <http://www.dec-ced.gc.ca> under "Publications".

The Industry Portfolio includes:

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 of 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 Performance Reports*



# 1

## MESSAGES

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### **Minister's Portfolio Message**

The dawn of the twenty-first century has seen the development of the global knowledge economy. The Government of Canada has been working for the past decade to create winning conditions for Canadians to ensure that we are ideally positioned - with both the tools and the skills necessary - to seize the opportunities offered in the new economy.

It started with eliminating the deficit and with good fiscal management, followed closely by significant corporate and personal tax cuts and streamlining government. Over the last decade, we also built an impressive research and development (R&D) infrastructure and became one of the world's most connected countries. We are now global leaders in per capita access to information technology and the Internet.

Today we are seeing the benefits of these investments. Our success can be measured in having the fastest rate of growth among the G7 countries in areas such as: private-sector R&D spending; external patent applications; R&D intensity; and the number of workers devoted to R&D.

But in this global race we cannot afford to rest on our laurels. That is why, in February of 2002, our government launched Canada's Innovation Strategy. This strategy is designed to foster a culture of innovation in Canada, improve the quality of life for Canadians and to see the maple leaf become the hallmark of excellence for the world.

Canada's Innovation Strategy identifies opportunities in four key areas: creating new knowledge and bringing those ideas to market quickly and effectively; ensuring that Canada has enough highly qualified people with the skills needed to compete globally; modernising our business and regulatory policies to foster entrepreneurship; and supporting innovation at the local level so that our communities continue to be magnets for investment and opportunity.

To develop this strategy, we are talking to Canadians from coast to coast to create an action plan for the next decade. Canada's Innovation Strategy is not a government program but a call for all sectors of the economy to work together to achieve ambitious targets for the future. The action plan will identify specific ways that government, business, academia and communities can achieve our national goals.

The Industry Portfolio, consisting of 15 departments and agencies, is an important instrument in fostering innovation in Canada. Canada Economic Development plays a key role in the Industry Portfolio and I am pleased, therefore, to present its Performance Report for 2001-2002.

Canada Economic Development intervenes directly with Quebec enterprises by supporting their development and expansion projects. Thus, in order to reinforce enterprises' competitive positioning, the Agency's priorities concern modernization of their business practices and development of their capability to innovate and commercialize on foreign markets. Furthermore, the Agency contributes to creating and supporting a network of local and regional development organizations which assist Quebec small- and medium-sized enterprises by providing them with products and services in innovation, commercialization, exports, productivity and more.

Among results observed in 2001-2002, Canada Economic Development contributed to the implementation and establishment of six knowledge and technology transfer institutions. Also, the Agency's financial support led to implementation of 125 innovation-related projects for activities concerning awareness, development of innovation action plans, development or enhancement of products and acquisition of new equipment. In addition, the Agency supported 50 trade missions abroad to promote Quebec enterprises' products and services on foreign markets.

Also, a recent survey of its clientele revealed that nine clients out of 10 consider Canada Economic Development—and thereby the Government of Canada—to be an essential player in their region's economic development.

These are only a few highlights. I invite you to explore Canada Economic Development's Departmental Performance Report to discover the many ways that this Agency contributes to Canada's economic progress and growth.

Working together we are making our country a stronger and more prosperous place for all Canadians.



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The Honourable Allan Rock

## Message from the Secretary of State

Regional economic development depends above all on the drive of a region's stakeholders. Of course, it is built on local and regional assets and their potential to produce results. The starting point, though, is always men and women of action who are connected to their part of the world and wish to develop its potential so as to ensure its prosperity.

This desire on the part of the various socio-economic players to maintain their local roots along with their commitment are key inputs when it comes to regional economic development. My attachment to the different regions of Quebec largely stems from my admiration for these farsighted men and women who act according to their vision, so to me it seems natural that Canada Economic Development's mission should be to support initiatives from these individuals who seek constantly to extend their horizons. Prosperity is enhanced through this coming together of stakeholders that generates a consensus with great economic development potential.

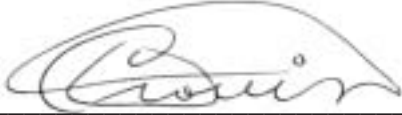
Canada Economic Development has 14 business offices across Quebec. Our level of activity and our results are not only tied to the professionalism and effectiveness of our staff, but also depend on the devotion and commitment of the players who take an active role in the successful implementation of projects.

Through their knowledge of local needs and their motivation, all those in Quebec who set store by their communities' economic development are essential pillars in the communities' flourishing growth. Indeed, on that score I should like to highlight the work of the 1,400 volunteers working within the Community Future Development Corporations and Business Development Centres, who each year devote more than 40,000 hours to their communities' economic growth. Like so many other stakeholders, these individuals give unstintingly of themselves throughout Quebec to enhance the well-being of all. I should like to thank all these women and men and remind them of the importance of their contribution to enhancing the quality of life and to the growth of their communities.

All the new initiatives supported by Canada Economic Development during the 2001-2002 fiscal year should, over time, generate investment totalling more than \$1.7 billion across Quebec. This investment contributes to the economic development of rural regions and the development of city neighbourhoods undergoing restructuring within large urban centres in Quebec. Indeed, Canada Economic Development intends to work to provide communities with the tools they need to demonstrate leadership in taking up the challenges facing them. In this respect, regional economic development is seen as an effective means of ensuring that everyone is involved and included in economic growth and job creation.

My interest in economic development issues takes into account each region's development potential. In this regard, innovation, while presenting more than its share of challenges, also affords a multitude of opportunities and advances for all Quebec regions. The adoption and dissemination of a true culture of innovation within our enterprises and in our regions will more than ever be key to our communities' economic development. I am thereby proud to see the Canada Economic Development team mobilized by this crucial issue.

In closing, I should like to thank all Canada Economic Development staff for their involvement in and commitment to achieving our objectives. Our results indicate that we are on the right track. Perhaps even more importantly, they shed light on the road ahead of us.



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The Honourable Claude Drouin  
Secretary of State  
Economic Development Agency of Canada  
for the Regions of Quebec



## 2

# OVERVIEW AND CONTEXT OF AGENCY INTERVENTION

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The Canada Economic Development Agency for Quebec Regions, as a member of the Industry Portfolio, reports to the Minister of Industry. The Minister is responsible for promotion of the economic development of the regions of Quebec, which is the Agency's sole business line. The objectives and responsibilities of the Minister responsible for the Agency are defined in Part II of the *Department of Industry Act*.<sup>1</sup> The Minister is supported in his responsibilities regarding the regions of Quebec by a Secretary of State.

### **Mandate**

The Agency's mandate is to promote the economic development of the regions of Quebec, paying special attention to those experiencing slow economic growth and inadequate employment, with a view to the enhancement of prosperity and employment in the long term.

Through its mandate, the Agency contributes to fulfilling the Government of Canada's commitment to promoting equality of opportunity for all Canadians, notably by fostering the economic development of the regions.

The Agency also contributes, through the performance of its mandate, to the attainment of several national priorities, particularly those aiming to:

- increase Canadians' prosperity and quality of life by making Canada a world leader in the knowledge economy, by building on innovation, research, acquisition of competencies and trade;
- promote the development of communities in a manner geared to their specific characteristics; and
- foster sustainable development and a healthier environment.

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<sup>1</sup> The text of the *Department of Industry Act* may be consulted at the following Web address:  
<http://laws.justice.gc.ca/en/I-9.2/text.html>

## Strategic intervention framework

An in-depth review of the global, national and regional economic environment prompted the Agency to clarify its orientations in 2000-2001 and to set up a strategic intervention framework. The Agency targets the attainment of three strategic outcomes for the economic development of the regions of Quebec.

The first strategic outcome targeted is to *foster enterprise development*. Enterprises are the prime engine of economic development and wealth creation. The growth of enterprises which innovate and export has a particularly stimulating effect on economic development and lasting employment growth. To attain this strategic outcome, the Agency works notably with small- and medium-sized enterprises (SMEs) and non-profit organizations that provide services for SMEs.

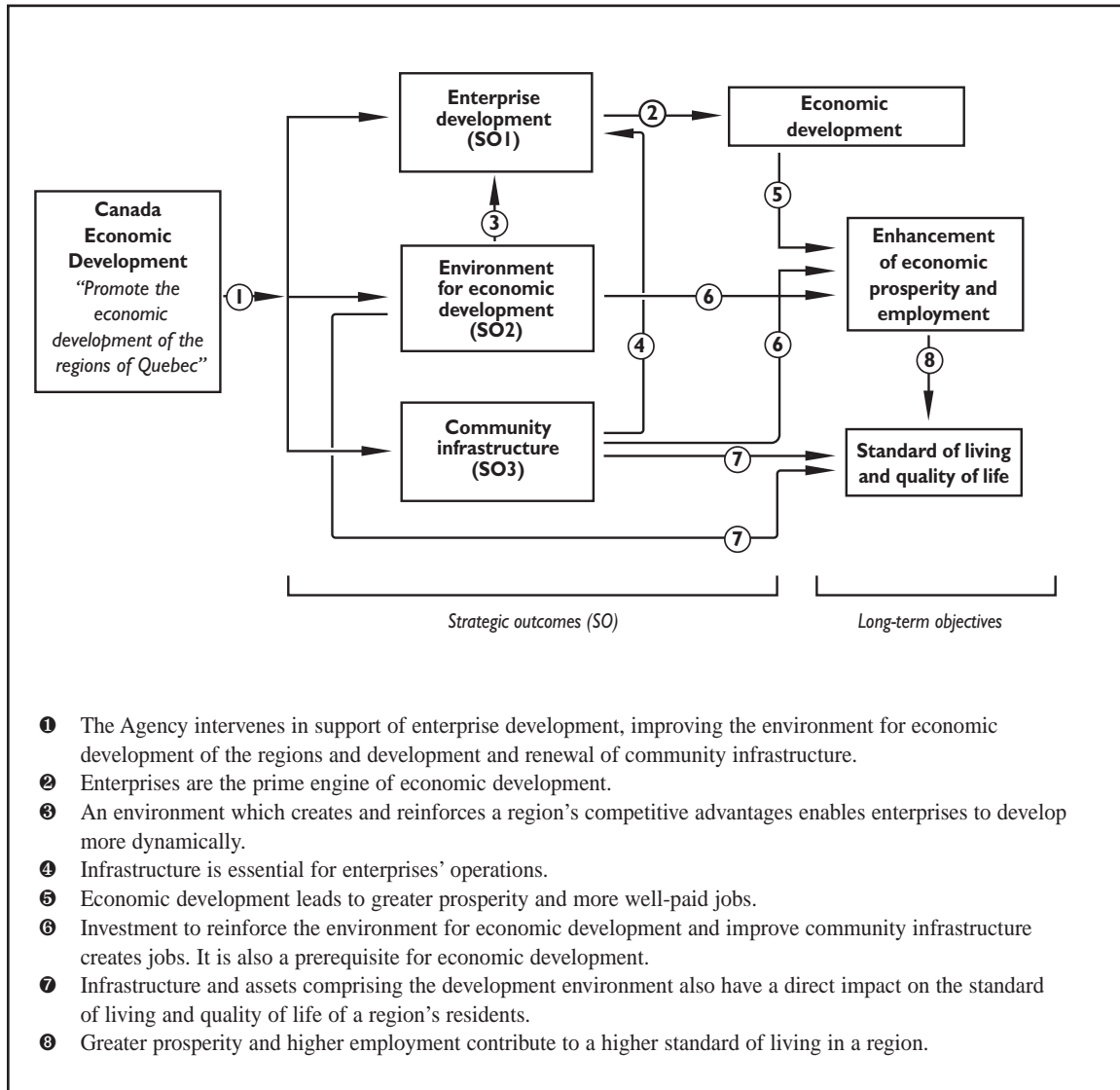
Since enterprises need an environment conducive to their development, the second strategic outcome targeted by the Agency is to *contribute to improving the environment for economic development of the regions*. To achieve this strategic outcome, the Agency interacts in particular with the key economic players in the different regions of Quebec.

Since community infrastructure is essential to a region's economic vitality, for enterprises' operations as well as residents' quality of life, the third strategic outcome targeted by the Agency is to *facilitate development and renewal of community infrastructure in the different regions of Quebec*.<sup>2</sup>

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2 This strategic outcome was implemented under agreements with the Quebec government concerning the Infrastructure Canada Program.

Diagram 1 shows how the attainment of the Agency’s three strategic outcomes enables it to fulfil its mandate. It also illustrates how the Agency contributes to enhancing economic prosperity and job creation, two fundamental aspects of the standard of living and quality of life of residents of Quebec’s regions.



- ❶ The Agency intervenes in support of enterprise development, improving the environment for economic development of the regions and development and renewal of community infrastructure.
- ❷ Enterprises are the prime engine of economic development.
- ❸ An environment which creates and reinforces a region’s competitive advantages enables enterprises to develop more dynamically.
- ❹ Infrastructure is essential for enterprises’ operations.
- ❺ Economic development leads to greater prosperity and more well-paid jobs.
- ❻ Investment to reinforce the environment for economic development and improve community infrastructure creates jobs. It is also a prerequisite for economic development.
- ❼ Infrastructure and assets comprising the development environment also have a direct impact on the standard of living and quality of life of a region’s residents.
- ❽ Greater prosperity and higher employment contribute to a higher standard of living in a region.



## Nature of intervention

As a member of the Industry Portfolio, the Agency works dynamically and closely with several departments and agencies of the Government of Canada and the Quebec government, and with many local and regional stakeholders whose activities influence the economic development of Quebec's regions.

To achieve the targeted strategic outcomes, the Agency supports the implementation of projects put forward by local and regional players, primarily enterprises, non-profit organizations providing services to businesses, and communities.

The Agency's support for enterprises and local and regional development stakeholders primarily takes the form of financial assistance under the following programs:

- IDEA-SME (Innovation and productivity, development of markets and exports, entrepreneurship and business climate)
- Regional Strategic Initiatives (RSI)
- Community Futures Program (CFP)
- Infrastructure Canada Program
- Canadian Support Program for the Gaspésie — Îles-de-la-Madeleine Economy
- Coastal Quebec Fund (CQF).

Appendix I may be consulted for a brief description of the Agency's financial assistance programs.

The Agency also accompanies development players and project promoters by facilitating their access to relevant information, making them aware of the development issues which affect them and pointing them toward networks of competent resources in line with their specific needs. It also supports them by providing them with professional advice and other forms of accompaniment in order to foster their project's success.

The Agency does not act alone in the economic development of the regions of Quebec. In fact, it carries out many activities in co-operation with **intermediary groups** (see text box opposite).

### INTERMEDIARY GROUPS

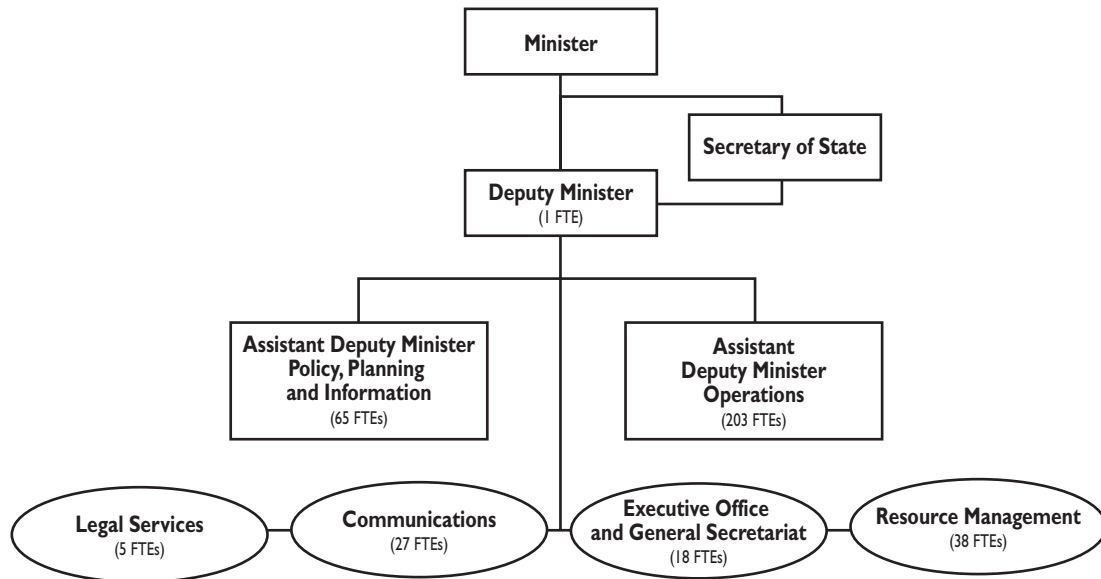
In the context of its activities, the Agency provides support to collaborators, also known as intermediary groups, that is, non-profit organizations providing specialized services to enterprises and working for economic development in the regions of Quebec. This enables the Agency to maximize the use of its resources and substantially extend the scope of its action in Quebec. Intermediary groups have a multiplier effect with strategic impact on the regional economic environment.

- On the one hand, they help stimulate the economic base of a region, sector or industry, thus preparing the ground for the Agency's actions.
- On the other hand, they work to enhance SMEs' individual capabilities so as to make them more viable and increase their performance.

## Resources (inputs)

### Human resources and corporate structure

To intervene vis-à-vis local and regional development players and work toward attainment of targeted outcomes, the Agency has a network of 14 business offices across Quebec, an office in Gatineau ensuring liaison with the federal government and a Head Office in Montreal. A list of business offices may be consulted in Appendix VI and on the Web at [www.dec-ced.gc.ca](http://www.dec-ced.gc.ca) under “Programs”.



In 2001-2002, the equivalent of 357 full-time employees worked for the Agency in Quebec. Of these, 57 were hired during the 2001-2002 fiscal year.<sup>3</sup>

### Financial resources

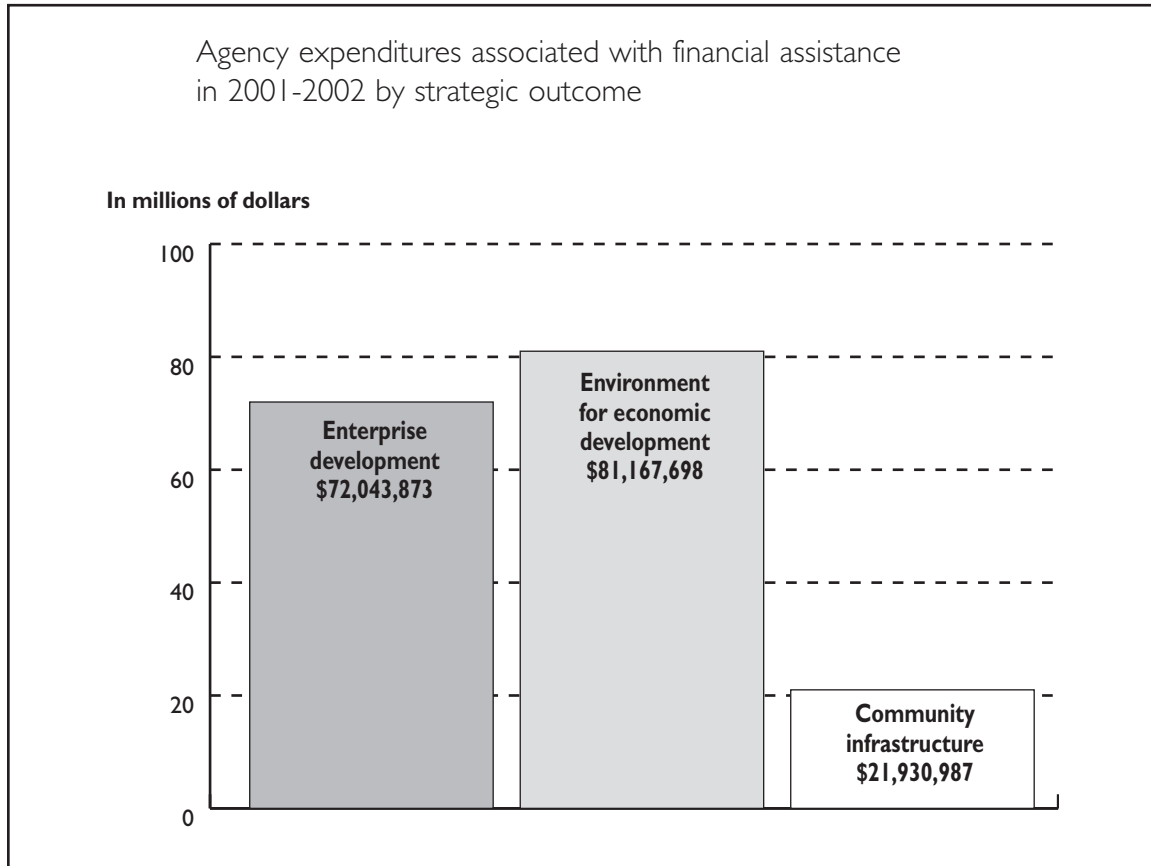
For the 2001-2002 fiscal year, the Agency's expenditures associated with financial assistance stood at \$175 million<sup>4</sup>, while operating expenditures amounted to \$40 million.

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3 This hiring followed, in particular, the increased volume of activity arising from the transfer to the Agency of the budget previously dedicated to the Canada Jobs Fund.

4 The total amount of the Agency's actual expenditures for FY 2001-2002 includes contributions and grants provided under the IDEA-SME, RSI, CFP and CQF programs, the Canadian Support Program for the Gaspésie — Îles-de-la-Madeleine Economy, and Infrastructure Canada. This amount includes a grant to the Quebec Port Authority for the cruise terminal project at Pointe-à-Carcy.

The following figure presents the breakdown of spending associated with financial assistance for the 2001-2002 fiscal year for each of the strategic outcomes targeted.



It may be seen that expenditures made by the Agency in 2001-2002 stood at \$72 million for fostering enterprise development, \$81 million for contributing to improvement of the environment for economic development and more than \$21 million for facilitating the development and renewal of community infrastructure.<sup>5</sup>

Appendix II provides further detail concerning the Agency's financial performance for FY 2001-2002.

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5 Activities associated with the new Infrastructure Canada Program began in 2001-2002.

## **Trends in programming and budget resources over the past few years**

Since Fall 2001, the Agency has tended to focus more on the different facets of innovation. The Agency is investing in particular to foster the startup and pre-startup of technological enterprises, the adoption of advanced business practices, access by enterprises to specialized technology transfer services and the development and commercialization of new products by enterprises. The Agency also invests in such a way as to contribute to the increase in research and development (R&D) activities in research centres and institutes leading to the commercialization and improvement of products and processes.

Following the closing down of the Canada Jobs Fund (CJF), the Agency was awarded in 2001 an additional budget of \$177 million over four years. The Agency will use this sum, among other things, to intensify its activities on issues associated with innovation, productivity and the knowledge economy in all Quebec regions with, in line with its mandate, special emphasis on regions where growth is slow and employment inadequate.

The Agency is mainly increasing its efforts in regions that are far from major urban centres, notably through Regional Strategic Initiatives, in order to help these regions face structural and context-related economic problems. In addition, in 2000, the Agency created the Canadian Support Program for the Gaspésie — Îles-de-la-Madeleine Economy. Initially assigned a financial assistance budget of \$35 million over five years, this program now has \$100 million, as a result of the funding transferred from the CJF.

Since October 2000, the Agency has overseen implementation of the Canada - Quebec Infrastructure Works Agreement; the Government of Canada has entrusted to the Agency a budget of more than \$515 million over several years as the federal share under this agreement, which terminates in March 2007.

## **Economic context and Agency performance**

The economic context is one of the factors that influence Agency intervention in economic development as well as the attainment of results. Over the past few years, and especially in 2001, the Agency has evolved in an economic context that has all in all been favourable to the pursuit of its development objectives. While the efforts of Quebec's regions to catch up are bearing fruit and the Quebec economy is moving closer to the relative position it should occupy, the Agency has to continue to sustain and accompany the regions so as to enable them to meet the new challenges of the global economy.

Following two years of sustained growth, the Quebec economy moved in 2001 into a slowdown phase. In 2001, Quebec posted a mere 0.9% increase in its gross domestic product (GDP), compared with a 4.3% increase for 2000.

On the employment front, Quebec still lags far behind the Canadian average. Quebec's average unemployment rate for 2001, at 8.7%, remains above the Canadian average of 7.2%. The resource regions, with jobless rates above 11.0% for 2001 (20.1% for Gaspésie/Îles-de-la-Madeleine), are the hardest hit in terms of employment. The administrative regions of Mauricie (11.7%), Centre-du-Québec (9.7%) and Montreal (10.0%) are also experiencing difficulties, posting unemployment rates over the Quebec average in 2001.

A substantial reduction was seen in 2001 in exports, which fell by close to 7.0% over 2000. This negative performance is largely attributable to declining exports in the telecommunications sector, which plummeted by \$6 billion between 2000 and 2001. Whereas exports in this sector accounted for 21% of total exports in 2000, the figure fell to a mere 12% in 2001. The resource regions, which export a large portion of their output of raw materials to the United States, remain dependent on the exchange rate and U.S. trade policy, as may be seen from the current lumber dispute.

Overall, Quebec's economic structure is, however, increasingly diversified and is adjusting to the changing world economy by focussing more on technology-intensive sectors and enterprises. For some years now, Quebec exports of high value-added products such as transportation, computing and telecommunications equipment have outstripped exports of natural resources, although the latter remain highly significant, particularly for the resource regions. Enterprises in the traditional sectors continue to hold an important position in Quebec's industrial structure, but are having difficulty following trends in technology and markets and, generally speaking, are not sufficiently innovative.

Being closely linked to investment in R&D, innovation is essential to economic growth and, in the longer term, to improvement of the standard of living. In this regard, the Quebec economy is continuing its rapid advance of the past few years. While R&D is still concentrated in large corporations, the number of enterprises active in R&D has more than doubled in a decade. Quebec's R&D/GDP ratio climbed from 1.7% in 1990 to 2.4% in 1999, compared with 2.2% in Ontario and 1.8% in Canada. These statistics clearly illustrate the catch-up effort made by Quebec enterprises over the past few years.





# 3

## PERFORMANCE INFORMATION

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The Agency carries out its activities within the spirit of the Government of Canada's new management framework: *Results for Canadians*. As an organization focussed on the achievement of results, it acquires the tools it needs to perform ongoing monitoring of the impact generated by the completion of projects for which it provides support. The information generated by continuous monitoring of results enables the Agency to adjust its intervention and respond dynamically to the development opportunities specific to each region.

The main results presented are those observed, as of March 31, 2002, in the context of projects in progress in 2001-2002, that is, those for which an Agency expenditure was made during that fiscal year. These projects began, continued or ended in 2001-2002; some of these projects were still under way as of March 31, 2002 and will be completed during subsequent fiscal years.

The basis for projects used in this report, that is, projects in progress in 2001-2002, differs from that used for the *2000-2001 Performance Report*, namely, contribution agreements signed in 2000-2001. The basis for projects chosen this year provides a better idea of the Agency's results, although it does not yield a comprehensive picture of them, owing to the methodological limitations inherent in an annual performance monitoring process. Despite its limitations, this new reporting basis provides a more consistent, comprehensive overview of the results achieved by the Agency, for two reasons: this basis contains a larger number of projects, and includes proportionally fewer projects whose implementation is only just beginning and whose results are consequently not mature. Appendix III explains the scope and limitations of the methodology used to generate the information contained in this report.

The results presented in this report must be interpreted in light of the following observations. Note first that the Agency's mandate is to promote economic development, that is, support and accompany the completion of economic development projects in Quebec. The implementation or actual achievement of economic development lies with enterprises and local and regional stakeholders, who themselves design and bring into reality the projects supported by the Agency. The result is great interdependence between, on the one hand, the drive of all the players involved and, on the other hand, the Agency's level of activity and results, over which it consequently does not have absolute control.



Moreover, the Agency's support for the funding of a project generally corresponds to no more than a fraction of its total cost; in this way, the Agency encourages the implementation of the project which, in a large number of cases, also benefits from support from other stakeholders. Although the results obtained from completion of the project are a consequence of the support from the Agency, they cannot be fully attributed to the Agency's contribution alone.

On an ongoing basis, the Agency works to improve its ways of evaluating attainment of the results of the projects it supports. Moreover, the Agency will be able to gauge the long-term effects of these projects in the context of the evaluation of its programs and the different government initiatives.

## **Overall performance**

In terms of activities carried out by the Agency during FY 2001-2002, it approved 1,390 new contributions, representing financial commitments totalling more than \$390 million. This sum will be paid out over several years, as the projects subject to these agreements are completed. The total value of these new projects, including sums invested by other fund providers, exceeds \$1.7 billion.

In terms of results, with respect to projects in progress in 2001-2002, that is, those with respect to which an Agency expenditure was made during that fiscal year, the following table of indicators provides an overview.

Overall performance indicators

<b>Projects in progress in 2001-2002</b>	<b>1,663</b>
<ul style="list-style-type: none"> <li>■ Expenditures incurred in 2001-2002 for projects in progress</li> <li>■ Total expenditures incurred (including spending from previous years) for projects in progress ❶</li> <li>■ Total financial assistance approved by the Agency concerning projects in progress</li> <li>■ Total value of projects in progress in 2001-2002 (including investment from other fund providers)</li> </ul>	<p><b>\$175,142,558</b></p> <p><b>\$317,206,930</b></p> <p><b>\$602,677,115</b></p> <p><b>\$2,143,066,769</b></p>
<b>Main results observed as of March 31, 2002</b> (associated with projects in progress) ❷	
<ul style="list-style-type: none"> <li>■ Leverage effect ❸</li> <li>■ Incentive nature of financial assistance ❹ <ul style="list-style-type: none"> <li>• as to project completion deadlines</li> <li>• as to project scope</li> </ul> </li> <li>■ Job creation and maintenance ❺</li> </ul>	<p><b>\$1 → \$4.59</b></p> <p><b>87%</b></p> <p><b>88%</b></p> <p><b>7,922</b></p>
<b>Customer satisfaction</b> (concerning 2001-2002 projects in progress)	
<ul style="list-style-type: none"> <li>■ Quality of services in general <ul style="list-style-type: none"> <li>• Access to services</li> <li>• Ability to meet clients' needs</li> <li>• Application response time</li> <li>• Clarity of documents received</li> <li>• Courtesy of staff</li> <li>• Competence of staff</li> <li>• Accompaniment through procedure</li> </ul> </li> </ul>	<p><b>92%</b></p> <p><b>88%</b></p> <p><b>87%</b></p> <p><b>86%</b></p> <p><b>88%</b></p> <p><b>97%</b></p> <p><b>91%</b></p> <p><b>90%</b></p>
<p>❶ This indicator measures total expenditures incurred under the IDEA-SME, RSI, CFP and CQF programs, the Canadian Support Program for the Gaspé — Îles-de-la-Madeleine Economy and the Infrastructure Canada Program for projects whose outcomes are presented in this report, that is, projects in progress in 2001-2002. Since many of these projects were active prior to FY 2001-2002, total expenditures incurred for projects being reported on exceed expenditures incurred for the same projects in 2001-2002. Generally speaking, more than 40% of projects are completed within a 12-month period. Only 35% of projects are spread over 12-24 months, while fewer than 25% are spread over more than 24 months.</p> <p>❷ Results do not include those observed in the context of the Infrastructure Canada Program.</p> <p>❸ This indicator exclusively concerns contributions provided by the Agency to SMEs in the context of certain priorities (see below for a description of priorities associated with the establishment of strategic enterprises, innovation and commercialization); in those cases, the Agency seeks to maximize the leverage effect of its contributions, i.e., to ensure that each dollar invested by the Agency generates the highest possible direct investment from SMEs. This indicator is calculated by dividing (a) the total value of corporate projects in progress during FY 2001-2002 (the total value of a project is its total cost, regardless of funding source) by (b) the total amount of contributions approved by the Agency for those projects. Appendix III may be consulted for further detail on how the leverage effect is calculated.</p> <p>❹ The indicators concerning the incentive nature of the assistance are the proportion of recipients of Agency assistance who stated, in the annual survey, that without Agency assistance they would not have been able to carry out their projects within the same timeframe or on the same scale.</p> <p>❺ This indicator is an estimate of jobs created or maintained, as of March 31, 2002, as stated by those responsible for projects in progress during FY 2001-2002, under the IDEA-SME, RSI and CQF programs and the Canadian Support Program for the Gaspé — Îles-de-la-Madeleine Economy. Appendix III may be consulted for further detail on the methodology used.</p>	

With regard to the main results observed in 2001-2002, the 1,663 projects in progress contributed to the creation and maintenance of more than 7,900 jobs in Quebec communities, representing a major contribution to the economic development of the regions of Quebec.

For certain priorities where Agency intervention is concentrated on enterprises, the Agency aims to maximize the leverage effect of its contributions. More specifically, it seeks to ensure that each dollar invested generates the highest possible direct investment from SMEs. With regard to its intervention vis-à-vis enterprises in the context of priorities associated with the establishment of strategic enterprises, innovation, productivity and commercialization, each dollar invested by the Agency generates \$4.59.

The findings of the annual customer survey show that the Agency's financial assistance has significant incentive value for completion of economic development players' projects. In fact, 87% of clients reached state that they would not have been able to carry out their projects within the same timeframe without the support provided by the Agency. Furthermore, 88% consider it would have been impossible for them to complete their projects on the same scale.

Clients reached in the annual survey were satisfied with the services provided by the Agency. In fact, 92% of the clientele reached were satisfied with the quality of the Agency's services in general.

## Strategic outcomes

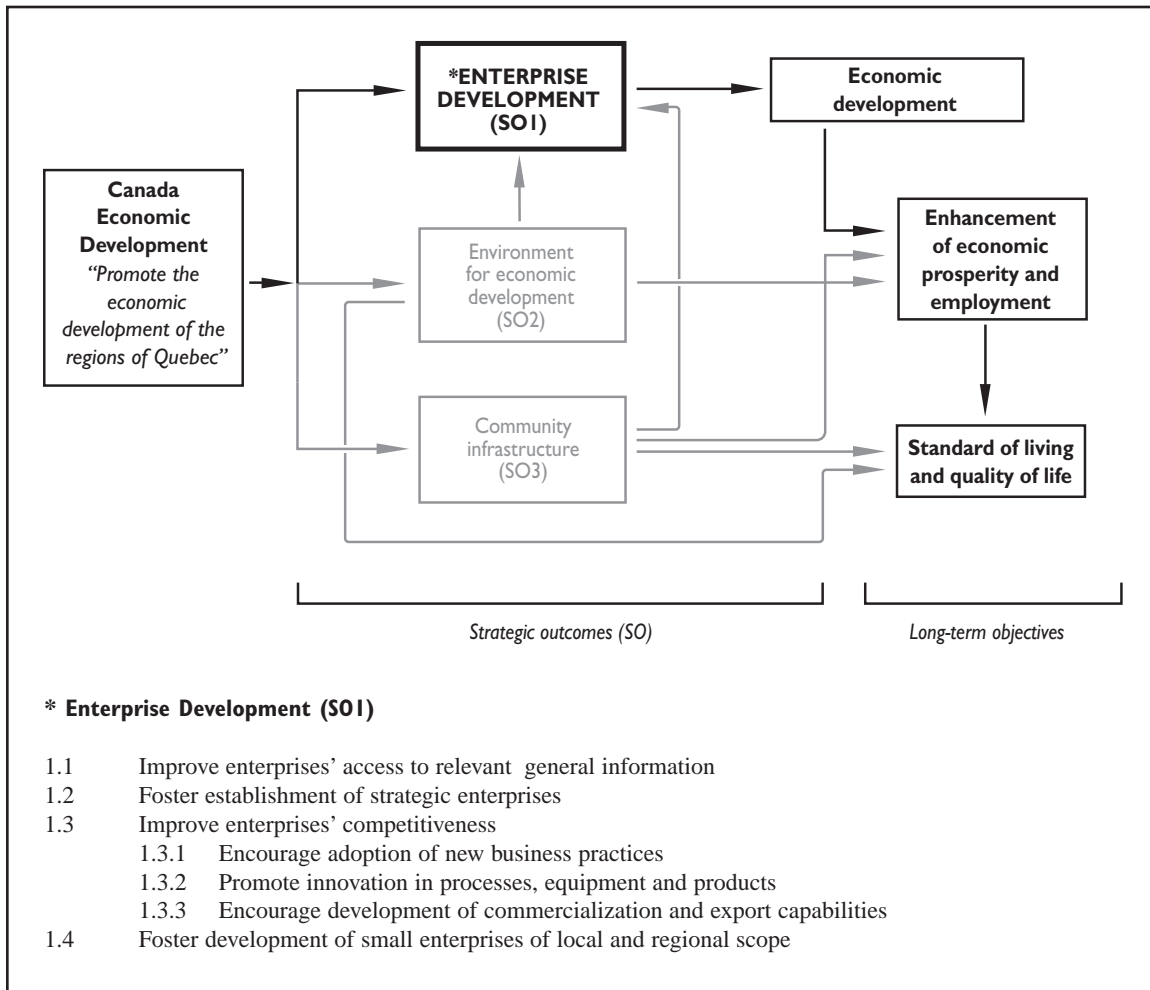
The following table identifies, as of March 31, 2002, the attainment of the main commitments stated in the Agency's 2001-2002 *Report on Plans and Priorities* (RPP) which are directly related to the Agency's three strategic outcomes. The commitments made in the 2001-2002 RPP run from the start of the 2001 fiscal year to the end of the 2003-2004 fiscal year. For further detail on the Agency's achievements with respect to each commitment presented in the 2001-2002 RPP, the Agency Web site may be consulted at [www.dec-ced.gc.ca](http://www.dec-ced.gc.ca) under "Publications". Appendix III may also be consulted for further information on the methodology used to gauge the extent to which each commitment was achieved.

Table of Agency's main commitments and outcomes in 2001-2002

Strategic outcome	Manifestation	Achievement of main commitments as of March 31, 2002
<b>Foster enterprise development</b>	1.1 Improve enterprises' access to relevant general information	★
	1.2 Foster establishment of strategic enterprises	★
	1.3 Enhance enterprises' competitiveness	
	1.3.1 Encourage adoption of new business practices	✓
	1.3.2 Promote innovation in processes, equipment and products	◆
	1.3.3 Encourage development of marketing and export capabilities	★
	1.4 Foster development of small enterprises of local and regional scope	★
<b>Contribute to improving the environment for economic development of the regions</b>	2.1 Encourage development of local capability to energize development of the local economy	✓
	2.2 Foster economic enhancement of regional development assets	✓
	2.3 Promote development and reinforcement of knowledge-based competitive advantages	✓
<b>Facilitate development and renewal of community infrastructure</b>	3.1 Upgrade infrastructure for drinking water, wastewater and solid waste management	✓
	3.2 Put in place, upgrade and renovate transportation infrastructure and systems	✓
	3.3 Enhance and foster rehabilitation or construction of assets having an urban or a regional economic impact	✓

Legend : ★ Objective being exceeded  
 ✓ Objective being achieved  
 ◆ Progress to be made

## Strategic outcome #1: Foster enterprise development



Enterprises are central to the economic development of Quebec regions. To maintain their competitiveness and prosper in a context of economic globalization and accelerating technological progress, it is in enterprises' interest to identify and process strategic information; show flexibility; innovate rapidly and constantly in time with much shorter development and commercialization cycles; adopt advanced technology, innovative production processes, new organizational modes and new business management processes, such as strategic alliances, e-business, virtual firms, etc. To support their expansion, they also have to be able to count on quality human resources, in sufficient numbers.

To foster the development of Quebec enterprises, the Agency concentrates its activities on the following priorities:

- Enhance enterprises' access to relevant general information.
- Foster establishment of strategic enterprises.
- Promote SMEs' increased competitiveness through the adoption of new business practices, through innovation and productivity and through strengthening of commercialization capabilities.
- Foster development of small enterprises of local and regional scope.

The Agency spent more than \$72 million during FY 2001-2002, or 41% of its total financial assistance, on 1,050 projects fostering enterprise development.

Performance indicators: Foster enterprise development

<b>Projects in progress in 2001-2002</b>	<b>1,050</b>
■ Expenditures incurred in 2001-2002 concerning projects in progress	<b>\$72,043,873</b>
■ Total expenditures incurred (including spending from prior years) for projects in progress	<b>\$135,401,061</b>
■ Total financial assistance approved by the Agency for projects in progress	<b>\$273,617,050</b>
■ Total value of projects in progress (including investment from other fund providers)	<b>\$716,869,447</b>
<b>Main outcomes observed as of March 31, 2002</b> (associated with 2001-2002 projects in progress)	
■ Incentive nature of financial assistance	
• as to project completion deadlines	<b>85%</b>
• as to project scope	<b>85%</b>
■ Job creation and maintenance	<b>5,400</b>
<b>Customer satisfaction</b> (concerning 2001-2002 projects in progress)	
■ Quality of services in general	<b>91%</b>

The Agency's efforts to attain this targeted strategic outcome contributed to the creation and maintenance of 5,400 jobs in the regions of Quebec.

## 1.1 Improve enterprises' access to relevant general information

The Agency can contribute to SMEs' growth by improving enterprise executives' access to general economic information likely to inform their business decisions.

In order to attain this objective, the Agency notably provides organizations with financial support so they can offer enterprises a service for answering general information requests, for the dissemination of documents to raise awareness, for the organization and holding of conferences, fairs, seminars and workshops, and to awaken interest and elicit reflection from participating business people.

Performance indicators:

Improve enterprises' access to relevant general information

<b>Projects in progress in 2001-2002</b>	<b>18</b>
■ Expenditures incurred in 2001-2002 concerning projects in progress	<b>\$1,902,659</b>
■ Total expenditures incurred (including spending from prior years) for projects in progress	<b>\$2,788,360</b>
■ Total financial assistance approved by the Agency concerning projects in progress	<b>\$3,912,399</b>
■ Total value of projects in progress (including investment from other fund providers)	<b>\$7,587,481</b>
<b>Main outcomes observed as of March 31, 2002</b> (associated with projects in progress)	
■ Information requests processed	<b>343,523</b>
■ Awareness activities organized	<b>47</b>
■ Participants in awareness activities	<b>4,412</b>

Supported financially by the Agency from its operating budget to the tune of \$2 million a year, *Info entrepreneurs* and *Ressources Entreprises act*, for the regions of Quebec, as Canada Business Service Centres.<sup>6</sup> These centres' mandate is to provide entrepreneurs, free of charge, with integrated information on government programs, services and regulations. In 2001-2002, these centres received more than 340,000 information requests from across Quebec, notably through visits to their upgraded Web sites.

A recent comprehensive performance evaluation of *Info entrepreneurs* and *Ressources Entreprises* showed that clients' satisfaction level concerning services received stood at more than 90%. Also, eight clients out of 10 considered the information received to be helpful. Moreover, having access to several large databases, the centres were able to develop relevant research services for potential entrepreneurs and the business world. In its 2001-2002 RPP, the Agency undertook to respond to 750,000 information requests from 2001 to 2004. On the basis of results obtained as of March 31, 2002, the Agency can be expected to exceed this objective.

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<sup>6</sup> Expenditures incurred in 2001-2002 for *Info entrepreneurs* and *Ressources Entreprises* are included in the Agency's operating expenditures for the same fiscal year. These expenditures are not included in the table of indicators associated with general information and awareness.

## 1.2 Foster establishment of strategic enterprises

The establishment of strategic enterprises fosters the development and consolidation of a “critical mass”, that is, sufficient business volume to generate a ripple effect in an especially promising area of economic activity for which the region already has expertise and other advantages. In the context of the new economy, economic development of the regions is also built on the establishment and expansion of enterprises in economic activity deemed strategic in a region (see the example of the Technoregion Fund opposite).

With a view to establishing enterprises in economic activities deemed strategic for a region’s development, the Agency intervenes notably vis-à-vis organizations so that they provide startup enterprises with incubation services, such as accompaniment, advice, funding and so on. It also intervenes with newly created enterprises to help them start up their business operations. The Agency also supports the construction, expansion or modernization of facilities for enterprises operating in economic activities deemed strategic for a given region.

### TECHNOREGION FUND

#### Background

In 1995, participants in the Greater Quebec City area economic summit decided to make the Quebec City / Chaudière-Appalaches region a “technopole”. In order to support the region in this approach, Canada Economic Development launched the Technoregion Fund shortly thereafter, an initiative aimed at fostering the startup of technological enterprises. The Fund initially had two components. The first component involved significant participation in the financial packages of startup enterprises in the new economy sector or using advanced technology. The second component, which was dropped in 1998 following implementation of the Regional Strategic Initiative, aimed to back organizations that support technology development.

#### Evolution of Agency intervention

When the Technoregion Fund was launched, the startup of technological enterprises was a new area of activity, and enterprises responded quickly to the offer the Agency was making them. But this situation evolved with the appearance of other stakeholders prepared to provide startups with venture capital. Being aware that the field was evolving, the Agency observed that the area of activity of technological enterprise pre-startups was virtually unoccupied. Young technological entrepreneurs still encounter many problems at the financing stage of their projects, in particular for gathering the liquid assets they need during the waiting period preceding the completion of the financing package. This crucial stage often takes months to be wrapped up, whereas, paradoxically, a technological enterprise’s competitive advantage is short-lived. With a view to catering adequately to the needs of this new clientele with respect to pre-startup activities, during 2001, the Agency conducted a thorough reworking of the Fund’s terms and management, as well as the role of the advisory committee which had taken part in the work from the outset. The new provisions have been in effect since February 2002.

#### Outcomes

The Technoregion Fund has contributed to the startup of many enterprises. During the first phase, 16 applications were approved under Component I, representing a total of \$4.1 million in contributions, while three projects were selected under Component II, for a total of \$1.1 million. In all, this means \$5.2 million for projects representing total investment of \$33 million which has led to the creation of some 100 jobs to date.

Canada Economic Development cares about the quality of its intervention, and the repositioning exercise will have enabled the Agency to draw lessons from the 1996-2001 phase and take significant corrective steps in terms of both orientation and management.

For further detail on the Technoregion Fund, a comprehensive case study dealing with the initiative may be consulted on the Agency Web site at [www.dec-ced.gc.ca](http://www.dec-ced.gc.ca) under “Publications”.



During the 2001-2002 fiscal year, the Agency approved 53 new contributions associated with this priority. The total value of these new projects, including sums invested by other fund providers, exceeded \$156 million. Contributions authorized by the Agency under these agreements totalled \$16 million.

Performance indicators: Foster establishment of strategic enterprises

<b>Projects in progress in 2001-2002</b>	<b>91</b>
<ul style="list-style-type: none"> <li>■ Expenditures incurred in 2001-2002 concerning projects in progress</li> <li>■ Total expenditures incurred (including spending from prior years) for projects in progress</li> <li>■ Total financial assistance approved by the Agency concerning projects in progress</li> <li>■ Total value of projects in progress (including investment from other fund providers)</li> </ul>	<p><b>\$10,906,673</b></p> <p><b>\$21,224,250</b></p> <p><b>\$28,382,308</b></p> <p><b>\$121,966,617</b></p>
<b>Main outcomes observed as of March 31, 2002</b> (associated with projects in progress)	
<ul style="list-style-type: none"> <li>■ Awareness activities organized</li> <li>■ Consulting services and accompaniment</li> <li>■ Leverage effect</li> <li>■ Job creation and maintenance</li> <li>■ Enterprises in pre-startup phase</li> <li>■ Enterprises having started up</li> <li>■ Enterprises having acquired equipment or new technology</li> </ul>	<p><b>185</b></p> <p><b>172</b></p> <p><b>\$1 → \$5.73</b></p> <p><b>1,046</b></p> <p><b>123</b></p> <p><b>91</b></p> <p><b>32</b></p>

With regard to the main outcomes observed, the Agency's support under projects in progress in 2001-2002 led to 172 interventions vis-à-vis entrepreneurs by specialized resources in order to accompany them in their approach to implementation, enlargement or expansion. Financial assistance and accompaniment provided by the Agency also contributed to the pre-startup of 123 enterprises and the startup of more than 90 enterprises deemed strategic for development of the regions of Quebec.

Also, as the Agency aims to foster the development and expansion of strategic enterprises, projects supported by the Agency enabled 32 enterprises to acquire equipment and new technology that may help them be more competitive.

Considering that the Agency undertook, in its 2001-2002 RPP, to help 300 entrepreneurs in their pre-startup or startup projects for 2001-2004, the results obtained as of March 31, 2002 show that this objective is in the process of being exceeded.

### 1.3 Improve enterprises' competitiveness

To strengthen SMEs' competitive position, the Agency's priorities focus on modernization of enterprises' business practices, development of their innovation capability and reinforcement of their commercialization capability with a view in particular to penetration of foreign markets.

#### 1.3.1 Encourage adoption of new business practices

New business practices (NBP) represent an approach to renewal of an enterprise's strategic positioning and its way of doing business. NBPs can lead to the introduction of planning systems, enhancement strategies and development of the enterprise's key competitive advantages, new industrial organization modes, such as linkages, subcontracting and alliances with foreign enterprises, for instance, e-business practices, management practices geared to sustainable development, quality management, etc. In a context of economic globalization and intensification of international competition, enterprises have to reinforce their competitiveness by modernizing their business practices.

The Agency provides financial support for organizations so they can offer enterprises services at every step leading to the adoption of new business practices. The Agency also intervenes directly with enterprises to help them either to benefit from expertise, or for the carrying out of diagnostics and development of implementation plans, or to help them implement these plans.

In 2001-2002, the Agency approved 33 new contributions associated with this priority. The total value of these new projects, including sums invested by other fund providers, exceeded \$24 million. Contributions authorized by the Agency under these agreements amounted to \$8 million.

Performance indicators: Encourage adoption of new business practices

<b>Projects in progress in 2001-2002</b>	<b>40</b>
<ul style="list-style-type: none"> <li>■ Expenditures incurred in 2001-2002 concerning projects in progress</li> <li>■ Total expenditures incurred (including spending from prior years) for projects in progress</li> <li>■ Total financial assistance approved by the Agency concerning projects in progress</li> <li>■ Total value of projects in progress (including investment from other fund providers)</li> </ul>	<b>\$3,740,243</b> <b>\$6,404,855</b> <b>\$11,495,147</b> <b>\$32,570,733</b>
<b>Main outcomes observed as of March 31, 2002</b> (associated with projects in progress)	
<ul style="list-style-type: none"> <li>■ Awareness activities organized</li> <li>■ Participants in awareness activities</li> <li>■ Job creation and maintenance</li> <li>■ Enterprises having developed an NBP implementation plan</li> <li>■ Enterprises having adopted an NBP</li> <li>■ Business networks created</li> <li>■ Enterprises belonging to a business network</li> </ul>	<b>355</b> <b>6,060</b> <b>130</b> <b>283</b> <b>154</b> <b>9</b> <b>68</b>

Projects supported by the Agency enabled more than 6,000 people to take part in awareness activities and to be informed of the different issues associated with the adoption of NBPs.

The Agency contributed to the development by 283 enterprises of implementation plans for a new business management process and the adoption of an NBP by more than 150 enterprises.

As well as enabling many enterprises to adopt a new business practice, the Agency contributed to the creation of several business networks which can facilitate and encourage the running and business relations of participating enterprises. It also made it possible for 68 enterprises to join established business networks.

In its 2001-2002 RPP, the Agency undertook to sensitize and guide 70 small- and medium-sized enterprises in their management of sustainable development and the environment. Establishment of an organization offering services to enterprises concerning environmental management enabled more than 50 enterprises to be made aware of the issues associated with management of sustainable development and the environment. Of this number, 13 enterprises were accompanied and guided in their steps toward adopting an environmental management process.

Aiming, more generally, to increase the number of enterprises adopting NBPs, it may be seen from the results presented above that the Agency has achieved convincing, positive results with respect to this objective.

### 1.3.2 Promote innovation in processes, equipment and products

A product differentiated by its technical characteristics or its specific design confers a competitive advantage on the enterprise. Technologically advanced processes also contribute to reducing production costs and offering products at competitive prices. Enterprises can enhance their competitiveness by reinforcing their ability to innovate. Raising the level of knowledge and competencies in the enterprise can lead to an increase in its ability to innovate.

To sustain the development of enterprises and ensure their competitiveness, the Agency aims to increase their ability to adjust or to test a new or improved product, service or production process. To that end, the Agency provides financial contributions or non-financial support to organizations so they can offer enterprises services associated with innovation and productivity. It also provides support to enterprises for the conducting of feasibility or diagnostic studies, development, testing or experimentation work, development of action plans and acquisition of equipment leading to a significant increase in their productivity (see example of Premier Tech Ltd. opposite).

#### PREMIER TECH LTD.

##### Background

Canada Economic Development was looking for a way to stimulate the economy of the Bas-Saint-Laurent region, which is based primarily on the development and processing of natural resources. The *Mobilisateur* project, conducted at Premier Tech of Rivière-du-Loup, was in line with this strategy.

##### Project

In 1995, Premier Tech, an enterprise specializing in development of peat moss-based products, wished to move to the head of its field. To that end, it had to undertake a bold R&D project, aimed at perfecting new products in its three main divisions. In view of the complexity of the project, the enterprise turned to the Agency for assistance.

##### Agency intervention

In Phase I, which ran from 1996 to 2000, the Agency provided a \$4-million repayable contribution for the project. Through its Rimouski regional office, the Agency also helped the enterprise obtain funding from other sources and complete its financial package. Moreover, sitting on the enterprise's scientific committee, the Agency's representative took part in development of *Mobilisateur II*. This phase will run from 2002 to 2005. The Government of Canada, through both the Agency and Technology Partnerships Canada, will be the main fund provider, making repayable contributions of \$9.2 million and \$9.9 million respectively on total investment of \$42 million.

##### Outcomes

For *Mobilisateur I*, creation of 355 direct jobs, including close to 100 highly skilled positions, substantially exceeding the objectives (75 jobs), development of 34 innovative products, creation of subcontracting firms, emergence of a milieu conducive to research and co-operation between the enterprise and different Canadian universities.

For *Mobilisateur II*, anticipated creation of 200 additional jobs and design of 55 new products. Also envisaged are establishment of five enterprises and creation of technology showcases, which will open wide the path to exports.

For further detail on Premier Tech Ltd., a comprehensive case study dealing with the enterprise may be consulted on the Agency Web site at [wwwdec-ced.gc.ca](http://wwwdec-ced.gc.ca) under "Publications".

In terms of activities, the Agency's main achievements in support of innovation during FY 2001-2002 include the approval of 74 new contributions to encourage the implementation of the same number of projects, whose total value should amount to more than \$92 million. The contributions provided by the Agency with respect to these projects constitute financial commitments totalling \$25 million; this expenditure is spread over FY 2001-2002 and subsequent fiscal years, as and when the projects supported are completed.

Performance indicators:

Promote innovation in processes, equipment and products

<b>Projects in progress in 2001-2002</b>	<b>125</b>
<ul style="list-style-type: none"> <li>■ Expenditures incurred in 2001-2002 concerning projects in progress</li> <li>■ Total expenditures incurred (including spending from prior years) for projects in progress</li> <li>■ Total financial assistance approved by the Agency concerning projects in progress</li> <li>■ Total value of projects in progress (including investment from other fund providers)</li> </ul>	<p><b>\$7,855,173</b></p> <p><b>\$15,595,456</b></p> <p><b>\$33,927,824</b></p> <p><b>\$152,161,967</b></p>
<b>Main outcomes observed as of March 31, 2002</b> (associated with projects in progress)	
<ul style="list-style-type: none"> <li>■ Awareness activities organized</li> <li>■ Participants in awareness activities</li> <li>■ Leverage effect</li> <li>■ Job creation and maintenance</li> <li>■ Enterprises having developed an innovation action plan</li> <li>■ Enterprises having developed or improved a new product</li> <li>■ Enterprises having acquired equipment or new technologies</li> <li>■ Enterprises having made additional investment in research and development</li> </ul>	<p><b>500</b></p> <p><b>3,480</b></p> <p><b>\$1 → \$5.30</b></p> <p><b>814</b></p> <p><b>45</b></p> <p><b>51</b></p> <p><b>19</b></p> <p><b>14</b></p>

The results observed with respect to the 125 projects in progress in 2001-2002 are as follows: financial support from the Agency made it possible to organize 500 activities in the regions of Quebec to raise 3,480 participants' awareness of innovation issues; more than 200 interventions were carried out vis-à-vis entrepreneurs to accompany them in their innovation projects; 45 enterprises developed an innovation action plan; 51 enterprises developed or improved a product; 19 enterprises acquired new equipment or new technology; and 14 enterprises invested further in research and development.

These projects should continue, and their impact on the economic development of the regions should increase over the next few years. For instance, a number of the 3,480 participants in awareness activities are executives of enterprises who are likely to follow up on them by developing and implementing innovation projects. Of the 45 enterprises which have developed an innovation action plan, many will likely implement them, and this will generate other outcomes in terms of new products, new technology and additional investment in research and development. Moreover, these innovations could be commercialized, thus leading to increased sales and exports, and the creation of new jobs.

The RPP 2001-2002 set the objective of raising the awareness of 1,700 SMEs to technological innovation and productivity between 2001 and 2004. Based on the results in the table above, it is plausible that this objective may be exceeded before the end of the 2003-2004 fiscal year.

As to innovation in processes, equipment and products, the results observed as of March 31, 2002 show a shortfall with respect to the objective of carrying out 300 development projects for products and processes and productivity improvement by March 31, 2004. This shortfall may be explained in particular by the necessary period of adjustment and mobilization in order to intervene effectively with regard to this priority.

As early as Fall 2001, the Agency took vigorous steps to intensify its activities on this front: innovation has become one of the Agency's intervention priorities.

### 1.3.3 Encourage development of commercialization and export capabilities

Implementation of strategies for commercialization and penetration of domestic and foreign markets pose a certain level of risk for enterprises. In a context of increasing economic globalization, enterprises' ability to commercialize and export their products and services effectively is crucial to their survival.

In this regard, the Agency's priority is to reinforce enterprises' ability to commercialize and export, in particular those which innovate and commercialize their new products on international markets.

Performance indicators:

Encourage development of marketing and export capabilities

<b>Projects in progress in 2001-2002</b>	<b>450</b>
■ Expenditures incurred in 2001-2002 concerning projects in progress	<b>\$22,390,915</b>
■ Total expenditures incurred (including spending from prior years) for projects in progress	<b>\$42,146,548</b>
■ Total financial assistance approved by the Agency concerning projects in progress	<b>\$78,196,487</b>
■ Total value of projects in progress (including investment from other fund providers)	<b>\$249,297,626</b>
<b>Main outcomes observed as of March 31, 2002</b> (associated with projects in progress)	
■ Awareness activities organized	<b>757</b>
■ Participants in awareness activities	<b>18,710</b>
■ Consulting services and accompaniment	<b>338</b>
■ Commercialization plans developed	<b>74</b>
■ Pre-diagnostics and diagnostics carried out	<b>146</b>
■ Trade missions organized	<b>50</b>
■ Leverage effect	<b>\$1 → \$3.85</b>
■ Job creation and maintenance	<b>1,891</b>
■ Enterprises having commercialized a new or improved product	<b>65</b>
■ Enterprises having made sales on new markets	<b>207</b>
■ New exporters	<b>133</b>

The Agency provides financial support to organizations which offer enterprises services associated with commercialization and exports. These services may take the shape of information, advice for developing and assistance with implementing marketing plans, conferences, seminars, training sessions and trade missions. In this regard, 757 awareness activities associated with commercialization and exports were carried out. This contributed to better informing more than 18,000 participants from different regions of Quebec, some of whom will envision internationally exporting their products and services.

The Agency can also provide financial contributions to enterprises for the design and implementation of commercialization plans. Thus, 74 commercialization plans were developed in the framework of projects receiving a contribution from the Agency. These commercialization plans should eventually lead to better planning of these enterprises' export activities.

Furthermore, financial support from the Agency led to 338 interventions vis-à-vis enterprises in order to accompany them in the process of commercializing and exporting their products and services. In order to better prepare enterprises in their export approach, 146 pre-diagnostics and diagnostics were carried out with Agency support. Finally, 50 trade missions were organized in connection with a trade fair, conference or business event. These missions will contribute to the development of new markets by enabling participating enterprises to identify potential buyers or become more familiar with the targeted markets.

Also, through support from the Agency, 65 enterprises have commercialized a new or improved product. In addition, the assistance received enabled 133 enterprises to enter export markets for the first time. Finally, 207 enterprises already doing business on foreign markets made sales on new export markets.

In its 2001-2002 RPP, the Agency undertook to support 900 projects associated with exports carried out by SMEs and to develop the awareness of 5,000 SMEs in relation to international markets or e-commerce, and this between 2001 and 2004.

In 2001-2002, the Agency approved 241 new contributions in this area whose total value, including sums invested by other fund providers, amounted to \$130 million. As was mentioned earlier, it also made it possible to hold more than 750 activities which led to raising the awareness of more than 18,000 participants with respect to exports and commercialization in the regions of Quebec. In short, these results show that the Agency should exceed the objectives set in its 2001-2002 RPP.



#### 1.4 Foster development of small enterprises of local and regional scope

The establishment and development of small enterprises of local and regional scope contribute to maintaining and creating jobs, while also having an impact on the restructuring of local economies.

The growth of small local and regional enterprises is one of the Agency's priorities, especially in rural regions and certain city neighbourhoods undergoing restructuring in metropolitan areas.

The Agency manages the Community Futures Program (CFP) for the regions of Quebec. The goal of this Canada-wide program is to stimulate communities' involvement in taking charge of their future. This program brings together a network of organizations holding a strategic position in the economic dynamics of the regions of Quebec and represents a force at the service of residents and communities. Three types of organizations are supported financially by the Agency in this regard:

- Community Futures Development Corporations (56 CFDCs)
- Business Development Centres (9 BDCs)
- Community Economic Development Corporations (14 CEDCs)

The CFDCs' mandate is built around two areas of concentration: on the one hand, services to the community, such as the organization of consultation, planning, facilitation and awareness activities as well as local initiatives with strategic impact and, on the other hand, services to enterprises, such as access to funding, technical assistance and support for local entrepreneurship and youth entrepreneurship. CFDCs' activities are concentrated in rural areas.

This important collaborator of the Agency has at its disposal several community development tools, including an Investment Fund and the Youth Strategy initiative. The objective of the Investment Fund is to foster the creation, maintenance and development of sustainable employment in enterprises in startup, expansion or consolidation phases. It also allows the acquisition of equipment. As to the Youth Strategy initiative, its mission is to stem the exodus of young people toward major urban centres. An Investment Fund dedicated to young people is used to encourage the acquisition, establishment, expansion or modernization of an enterprise by a young person in his or her local area.

BDCs are members of the CFDC network, and their mandate focusses more on enterprises. More specifically, it is to offer consulting services or financial assistance to enterprises so as to stimulate job creation and maintenance.

The Agency also supports the CEDCs, in association with the provincial government and the communities concerned. CEDCs work on the socio-economic recovery of disadvantaged urban neighbourhoods. In particular, they aim to stimulate the startup and pre-startup of small local enterprises. The CEDCs also offer information and guidance services as well as technical services to enterprises.

By funding economic stakeholders such as the CFDCs, BDCs and CEDCs, the Agency ensures that the scope of its activities is extended into the economic development of the regions of Quebec. In fact, as well as being present in most Quebec communities, CFDC and BDC staff can count on the involvement of more than 1,400 volunteers. In 2001-2002, members of the CFDC and BDC volunteer network gave more than 40,000 hours to their communities' development.

The CFDCs and BDCs reported having created or maintained more than 13,000 jobs in Quebec communities.<sup>7</sup> The following table presents the results associated with job creation and maintenance as stated by the CFDCs and BDCs.<sup>8</sup>

Jobs created and maintained as reported by CFDCs and BDCs

<b>Organization</b>	<b>Jobs created and maintained</b>
CFDC	9,135
CFDC Youth Strategy	1,224
BDC	2,911
<b>Total</b>	<b>13,270</b>

The Agency also provides financial assistance directly to small enterprises of local and regional scope, especially in regions with slow growth where employment is inadequate or in regions at grips with context-related and structural economic problems, notably through the Coastal Quebec Fund and the Canadian Support Program for the Gaspésie — Îles-de-la-Madeleine Economy.

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7 The definition used by the CFDCs and BDCs to define jobs created and maintained is as follows: jobs created and maintained from the opening of a file to the end of the fiscal year being covered.

8 The Agency has no information on job creation and maintenance with respect to Community Economic Development Corporations.

Performance indicators:  
Foster development of small enterprises of local and regional scope

<b>Projects in progress in 2001-2002</b>	<b>326</b>
■ Expenditures incurred in 2001-2002 concerning projects in progress	<b>\$25,248,210</b>
■ Total expenditures incurred (including spending from prior years) for projects in progress	<b>\$47,241,592</b>
■ Total financial assistance approved by the Agency concerning projects in progress	<b>\$117,702,885</b>
■ Total value of projects in progress (including investment from other fund providers)	<b>\$153,285,023</b>
<b>Main outcomes observed as of March 31, 2002</b> (associated with projects in progress)	
■ Awareness activities organized	<b>268</b>
■ Participants in awareness activities	<b>6,506</b>
■ Job creation and maintenance <sup>9</sup>	<b>1,582</b>
■ Technical assistance provided	<b>2,671</b>
■ Capital projects	<b>1,617</b>
■ Enterprises in pre-startup phase	<b>118</b>
■ Enterprises in startup phase	<b>972</b>
■ Enterprises expanding	<b>535</b>

Overall, Agency support to enterprises and economic stakeholders contributed to supporting the pre-startup of 118 enterprises, the startup of 972 enterprises and the expansion of 535 enterprises. These results represent a significant economic input for a number of slow-growth communities and regions. Upstream, financial assistance from the Agency also contributed to the organization of 268 awareness activities associated with local development. More than 6,500 people participated in these different activities.

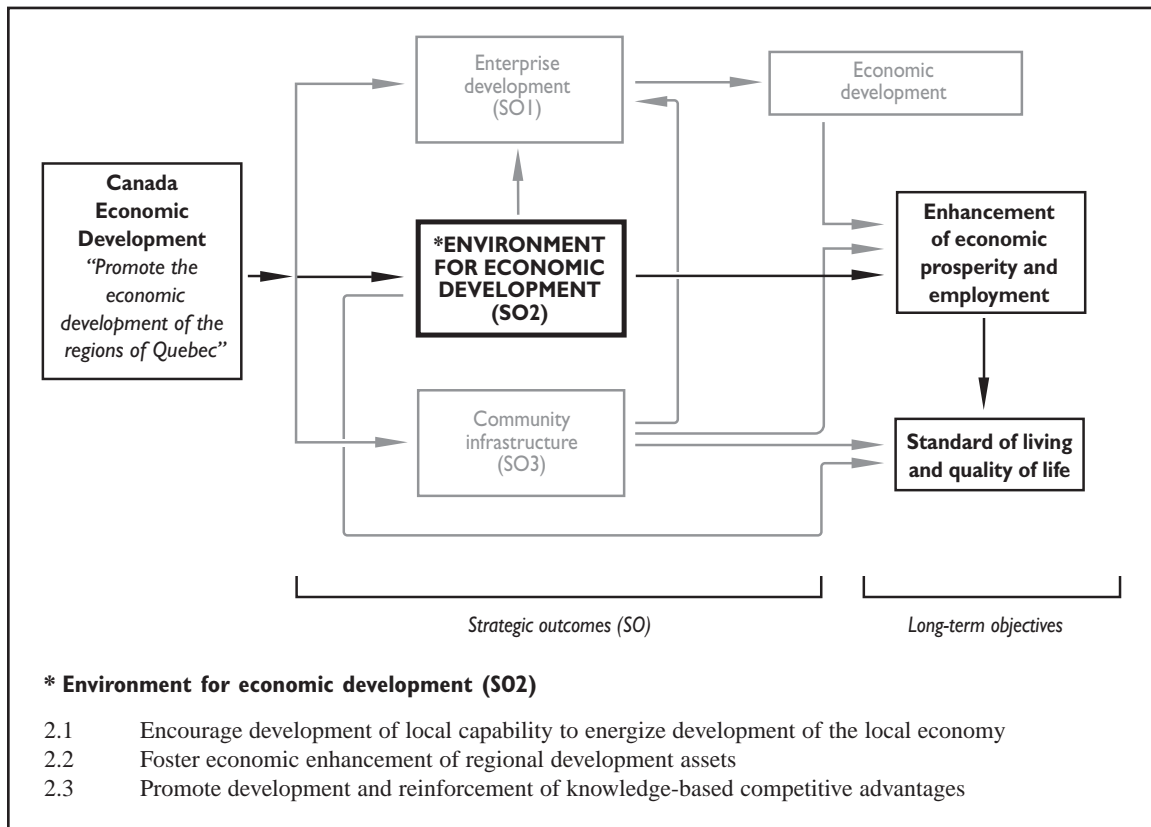
Agency intervention, through the IDEA-SME, RSI and CQF programs and the Canadian Support Program for the Gaspésie — Îles-de-la-Madeleine Economy, in projects associated with the development of small enterprises contributed to the creation and maintenance of 1,582 jobs in the regions of Quebec.

The Agency anticipated, in its 2001-2002 RPP, the startup, expansion or refinancing of 1,500 small enterprises for 2001-2004. The outcomes achieved indicate that this objective has already been attained and even surpassed.

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9 The Agency contributed to the creation and maintenance of 1,582 jobs under the IDEA-SME, RSI and CQF programs and the Canadian Support Program for the Gaspésie — Îles-de-la-Madeleine Economy.

## Strategic outcome #2: Contribute to improving the environment for economic development of the regions



It is difficult for enterprises to meet the competitiveness challenge on their own; their ability to face international competition largely depends on there being an economic environment conducive to development.

To contribute to improving the environment for economic development of the regions, the Agency concentrates its activities on three priorities:

- Encourage development of local ability to energize development of the local economy.
- Foster economic enhancement of regional development assets.
- Promote development and reinforcement of knowledge-based competitive advantages.

To that end, the Agency supports organizations which put forward projects likely to reinforce their regions' competitive advantages. These are local, regional and sectoral organizations that seek to bring together and mobilize local stakeholders to enable them better to stimulate development of their economy, organizations which enhance regional development assets or centres and institutes which conduct pre-commercial research and development and technology transfer activities.

The Agency spent \$81 million during the 2001-2002 fiscal year, or 46% of its total financial assistance, on 499 projects fostering improvement of the environment for economic development of the regions. These projects mostly have a strategic character which will have, in the long term, a ripple effect on the economy. This ripple effect involves the emergence and implementation of additional projects made possible and viable as a result of the completion of an initial project with strategic impact which plays a prime role in development of the economy.

Performance indicators:

Contribute to improving the environment for economic development of the regions

<b>Projects in progress in 2001-2002</b>	<b>499</b>
■ Expenditures incurred in 2001-2002 concerning projects in progress	<b>\$81,167,698</b>
■ Total expenditures incurred (including spending from prior years) for projects in progress	<b>\$141,775,556</b>
■ Total financial assistance approved by the Agency concerning projects in progress	<b>\$273,329,445</b>
■ Total value of 2001-2002 projects in progress (including investment from other fund providers)	<b>\$1,301,739,532</b>
<b>Main outcomes observed as of March 31, 2002</b> (associated with projects in progress)	
■ Incentive nature of financial assistance	
• as to project completion deadlines	<b>92%</b>
• as to project scope	<b>97%</b>
■ Job creation and maintenance	<b>2,522</b>
<b>Customer satisfaction</b> (concerning 2001-2002 projects in progress)	
■ Quality of services in general	<b>93%</b>

## 2.1 Encourage development of local capability to energize development of the local economy

Co-operation and convergence of effort from all economic players together make essential conditions for improving the environment for economic development. Dynamic regional stakeholders, fully familiar with new development trends, can bring together the lifeblood of their local areas and achieve consensus on strategies and priorities that are promising for economic development.

In this area, the Agency aims to increase the capability of local and regional stakeholders to elicit the emergence of projects likely to create and strengthen a region's distinctive competitive advantages. To that end, the Agency intervenes on several fronts and in many ways, notably by providing financial support and accompanying organizations for the dissemination of awareness-raising documents for the organization and holding of conferences, seminars and workshops designed to elicit reflection on regional development issues in the new global economic context. It also intervenes to support the establishment and facilitation of networks for sharing learning and discussion about new trends and best practices in local and regional development and to develop tools for local mobilization and facilitation.

### QUÉBEC MARITIME

#### Background

*Québec maritime* brings together tourism stakeholders from the Lower St. Lawrence, Gaspé, Manicouagan, Duplessis and the Magdalen Islands. It aims to commercialize its member enterprises' products on the international market. Since its creation, Canada Economic Development has helped the group implement its international tourism promotion strategy.

#### Project

The *Québec maritime* strategy has four components: drafting of a commercialization project integrating all its members' products, promotion of that project vis-à-vis travel wholesalers, development of different promotional and marketing tools and sale of travel to foreigners.

#### Agency intervention

In 1997, as well as providing a financial contribution of \$990,000 over five years, the Agency played a role in bringing together and mobilizing the main players, including fund providers, while accompanying the organization in the development and implementation of the project.

#### Outcomes

This innovative way of combining the strengths of stakeholders in the regions of Eastern Quebec led to the creation of a "tourism pole" in this part of the province bathed by the waters of the St. Lawrence.

An increase in the number of foreign visitors and a lengthening of the tourist season were observed, along with an increase in enterprises' revenues and the number of their employees. However, in order to outline the scope of its intervention more accurately, *Québec maritime* has designed a performance measurement tool with which it is currently accumulating more comprehensive data.

In 2001, aware of the need for long-term aid for the attainment of tangible outcomes, the Agency renewed its assistance to *Québec maritime*. As the main fund provider for Phase 2, the Agency provided additional assistance of \$2.9 million, spread over four years.

Further detail on *Québec maritime* may be obtained by consulting a comprehensive case study on the organization on the Agency Web site at [www.dec-ced.gc.ca](http://www.dec-ced.gc.ca) under "Publications".

In addition, the Agency provides financial support to organizations for the design and implementation of plans for international promotion of the regions of Quebec vis-à-vis foreign investors and visitors. In this respect, the following box presents an example of the co-operation and convergence effort of several economic development players in promoting a common tourism product abroad.

The Agency also provides financial contributions, to organizations dedicated to the promotion of entrepreneurship, for hosting awareness, guidance and support activities, notably vis-à-vis potential student entrepreneurs. At the same time, the Agency supports the organization and holding of events underscoring excellence in business.

The Agency's main achievements in support of development of local capability to energize development of the local economy during FY 2001-2002 include the approval of 167 new contributions to encourage the implementation of the same number of projects, whose total value should exceed \$132 million. Contributions provided by the Agency for these projects represent financial commitments over several years totalling \$34 million.

Performance indicators:

Encourage development of local capability to energize development of the local economy

<b>Projects in progress in 2001-2002</b>	<b>334</b>
■ Expenditures incurred in 2001-2002 concerning projects in progress	<b>\$30,395,009</b>
■ Total expenditures incurred (including spending from prior years) for projects in progress	<b>\$54,849,248</b>
■ Total financial assistance approved by the Agency concerning projects in progress	<b>\$94,907,141</b>
■ Total value of projects in progress (including investment from other fund providers)	<b>\$303,544,515</b>
<b>Main results observed as of March 31, 2002</b> (associated with projects in progress)	
■ Awareness activities organized	<b>1,023</b>
■ Participants in awareness activities	<b>38,396</b>
■ Job creation and maintenance	<b>1,497</b>
■ Local or regional projects being developed	<b>316</b>

Certainly, as was observed earlier, while Agency intervention to develop local capability to energize development of the local economy is diversified, the same is true of the results. These are generally upstream of economic development, that is, they prepare an environment particularly conducive to enterprise development.

With respect to the 334 projects in progress in 2001-2002, the outcomes observed are as follows: more than 38,000 participants in awareness activities were informed of the issues and challenges affecting the development of the regions of Quebec, and more than 310 projects being developed were created in Quebec communities as a result of efforts to empower and mobilize the economic and social stakeholders of the regions of Quebec.

Also, with regard to the Agency's commitments in the 2001-2002 RPP, raising the awareness of more than 38,000 participants as of March 31, 2002 through information activities far exceeds the anticipated result between 2001 and 2004 of informing and raising the awareness of 3,000 economic development players in order to energize the development of the regions.

Among the outcomes observed in the context of projects in progress in 2001-2002, the Agency contributed to the establishment of 61 student entrepreneur clubs. Located in the different regions of Quebec, these clubs already have more than 1,000 members. The Agency should achieve its objective of sensitizing 3,000 young students to a career in the business world between 2001 and 2004.

As of March 31, 2002, the Agency had already exceeded its objective stated in its 2001-2002 RPP of making 230,000 TV viewers aware of regional economic development issues. In fact, Agency support led to the production of three television series reaching more than 500,000 viewers.

The overall results observed for projects in progress during FY 2001-2002 allow the Agency to state that it is in the process of fulfilling or even exceeding the commitments made in its RPP for that fiscal year.



## 2.2 Foster economic enhancement of regional development assets

Always with a view to creating an environment conducive to economic development of the regions of Quebec, the Agency seeks to foster the implementation of projects of public interest likely to generate, in the long term, a strategic impact on the regional economy and have a significant ripple effect on a region's economic activity, or to preserve activities which form the economic base of a region experiencing major economic adjustment difficulties.

The Agency provides financial contributions for project promoters for feasibility studies and the enhancement of certain regional assets. For instance, the Agency provides financial support for the renewal and enhancement of attractions and the holding of tourism events in several regions of Quebec.

The Agency also provides financial support for local and regional promoters in order to enhance tourist attractions which reinforce a region's distinctive positioning on the international market. The Agency thus aims to develop a tourism offering that is competitive in terms of quality and its differentiation, so as to increase the number of visitors, encourage them to stay longer, increase the economic spinoffs from their visit and ensure that, on their return home, they recommend a visit to the regions of Quebec to other travellers. Along the same lines, the Agency also provides financial contributions to organizations to enable them to design and implement international commercialization plans for tourist attractions and major events, since their commercialization abroad contributes to attracting international tourists to Quebec and developing the regions' economy.

The Agency's achievements in 2001-2002 include the approval of 94 new contributions for the same number of projects whose total value, including sums invested by other fund providers, exceed \$172 million. Total contributions approved by the Agency under these projects amount to \$33.8 million.

Performance indicators:

Foster economic enhancement of regional development assets

<b>Projects in progress in 2001-2002</b>	<b>105</b>
<ul style="list-style-type: none"> <li>■ Expenditures incurred in 2001-2002 concerning projects in progress</li> <li>■ Total expenditures incurred (including spending from prior years) for projects in progress</li> <li>■ Total financial assistance approved by the Agency concerning projects in progress</li> <li>■ Total value of projects in progress (including investment from other fund providers)</li> </ul>	<p><b>\$40,257,275</b></p> <p><b>\$67,989,427</b></p> <p><b>\$123,571,046</b></p> <p><b>\$804,892,721</b></p>
<b>Main outcomes observed as of March 31, 2002</b> (associated with projects in progress)	
<ul style="list-style-type: none"> <li>■ Job creation and maintenance</li> <li>■ Foreign visitors participating in supported events</li> <li>■ Local or regional projects being developed</li> </ul>	<p><b>532</b></p> <p><b>347,666</b></p> <p><b>35</b></p>

As to the enhancement of regional assets, the plan followed by the Agency expects their results typically to take some time to appear and to generate other effects and spinoffs in their wake, especially in terms of investment and job creation in enterprises. It will be possible to confirm such results through evaluation studies in a few years' time.

As to more immediate results, the tourist attractions and major events for which the Agency made contribution expenditures in 2001-2002 attracted more than 347,000 foreign tourists to the regions of Quebec. It is likely that these foreign tourists travelled in more than one region of Quebec, thus generating attractive economic spinoffs in many Quebec communities.

In another respect, the Agency's support also elicited investment from several economic development players in the development and implementation of 35 projects of strategic impact in the regions of Quebec.

*Quartier international de Montréal* (QIM, Montreal's international district), an urban development and planning project supported financially by the Agency, aims, in the long term, to attract local and foreign real property investment, increase the input of foreign capital in the form of business and tourist visits, and create employment in the heart of Montreal.

A recent study on the economic spinoffs anticipated from the QIM project estimates that more than \$1 billion in investment, 15,044 new jobs and 4,527 indirect jobs will have been generated by 2003 owing to the project.

With regard to the objectives set by the Agency in its 2001-2002 RPP for the economic enhancement of regional assets, sustained intervention should likely enable the Agency to attain and even exceed its objectives.

## 2.3 Promote development and reinforcement of knowledge-based competitive advantages

To meet the competitiveness challenge, enterprises have to be able to build on an environment based on mastery and dissemination of knowledge. In fact, knowledge is increasingly staking out its position as a determining basis for economic development.

In order to reinforce regional competitive advantages, the Agency's priority is to foster implementation of knowledge infrastructure projects and pre-commercial R&D projects that are in line with Government of Canada priorities (science, technology, innovation) and are likely to have a significant ripple effect on economic activity in the regions of Quebec.

Performance indicators:

Promote development and reinforcement of knowledge-based competitive advantages

<b>Projects in progress in 2001-2002</b>	<b>60</b>
<ul style="list-style-type: none"> <li>■ Expenditures incurred in 2001-2002 concerning projects in progress</li> <li>■ Total expenditures incurred (including spending from prior years) for projects in progress</li> <li>■ Total financial assistance approved by the Agency concerning projects in progress</li> <li>■ Total value of projects in progress (including investment from other fund providers)</li> </ul>	<p><b>\$10,515,414</b></p> <p><b>\$18,936,881</b></p> <p><b>\$54,851,258</b></p> <p><b>\$193,302,296</b></p>
<b>Main outcomes observed as of March 31, 2002</b> (associated with projects in progress)	
<ul style="list-style-type: none"> <li>■ Job creation and maintenance</li> <li>■ Local or regional projects being developed</li> <li>■ Research patents</li> </ul>	<p><b>430</b></p> <p><b>53</b></p> <p><b>23</b></p>

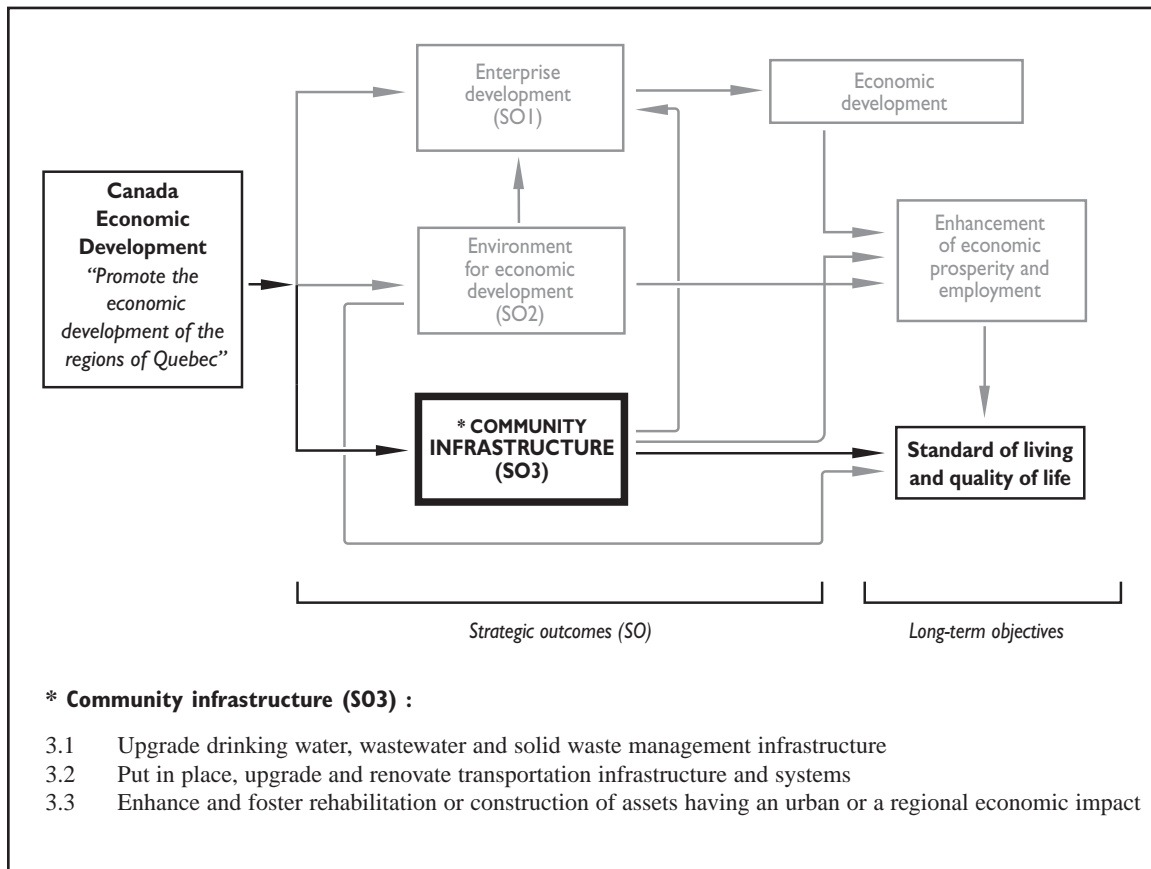
Different projects received financial assistance from the Agency in order to contribute to the development and improvement of knowledge infrastructure. Often studies concerning the feasibility or establishment of research centres have to be carried out before developing new infrastructure or upgrading existing infrastructure. Thus the Agency contributed to the carrying out of several feasibility or establishment studies, notably in the areas of technological innovation, computing, aerospace, aluminum processing, plant biology or agri-food. According to the findings of these studies, some of these projects could emerge as capital projects over the next few years. Indeed, six projects which received a financial contribution from the Agency are in the process of being carried out. These projects concern the construction or fitting-out of laboratories or premises and the acquisition of specialized equipment in order to develop or upgrade their knowledge-centred facilities.

The Agency, through its financial support for the preparation of grant applications, contributes to promoting knowledge institutions vis-à-vis national initiatives in support of innovation. A candidacy backed by its national initiatives can emerge as a project with strategic impact for development of a region's economy.

Finally, the development, dissemination and sharing of knowledge constitute another way for the Agency to participate in the development and reinforcement of knowledge-based competitive advantages. This contribution takes different forms. Thus, projects aimed at the organization of events leading to the dissemination and sharing of the results of different research work were successfully implemented. Other projects target funding for the startup or operations of organizations working towards the development of the knowledge economy. Finally, some projects focus more on fostering the development or technological demonstration of new products. This led, for instance, to the granting of 23 research patents, while a further 10 or so are pending. All these projects associated with the development of knowledge or scientific networks are likely to contribute, in the medium and long term, to economic development in a region or an economic sector.

Two commitments from the 2001-2002 RPP involve the establishment and expansion of 10 research or technology transfer institutions and the development of 10 nominations for the establishment of research or technology transfer centres. In this regard, the results show that at least six projects to establish or expand research or technology transfer institutions are in progress. Also, several feasibility studies are under way. Consequently, the Agency expects to attain these two objectives by 2004.

## Strategic outcome #3: Facilitate development and renewal of community infrastructure



Enterprises' competitiveness is fostered by access to adequate community infrastructure, such as that associated with transportation and drinking water. This infrastructure also has a direct impact on its users' quality of life.

In order to facilitate development and renewal of community infrastructure, the Agency focusses its activities on the following priorities:

- Upgrade drinking water, wastewater and solid waste management infrastructure.
- Put in place, upgrade and renovate transportation infrastructure and systems.
- Enhance and foster rehabilitation or construction of assets having an urban or a regional economic impact.

To that end, the Agency notably supports municipalities and inter-municipal boards, under the Infrastructure Canada Program. The Agency spent more than \$21 million during the 2001-2002 fiscal year, or 13% of its total financial assistance, on 114 projects fostering development and renewal of community infrastructure.

Performance indicators:

Facilitate development and renewal of community infrastructure

<b>Projects in progress in 2001-2002</b>	<b>114</b>
■ Expenditures incurred in 2001-2002 concerning projects in progress	<b>\$21,930,987</b>
■ Total expenditures incurred (including spending from prior years) for projects in progress	<b>\$40,030,313</b>
■ Total financial assistance approved by the Agency concerning projects in progress	<b>\$55,730,620</b>
■ Total value of projects in progress (including investment from other fund providers)	<b>\$124,457,790</b>

During the 2001-2002 fiscal year, the Agency approved 496 new contributions under the Infrastructure Canada Program whose total value, including investment from other fund providers, in this case the Quebec government and municipalities, stood at \$585 million. Contributions approved by the Agency exceed \$153 million. Payments in relation to these contributions will be spread over several years.

The new Infrastructure Canada Program agreement is just in its first year of implementation, so it is still too early to measure the outcomes of newly supported projects. However, the completion of projects contributes directly to the commitments made in the 2001-2002 RPP, namely, those of upgrading and putting in place 21st Century infrastructure adopting the best technology, new approaches and best practices. The Agency is therefore in the process of fulfilling its commitments with respect to community infrastructure.

During the 2001-2002 fiscal year, the federal and provincial governments worked together to initiate the planning of two evaluations. These mid-term and final evaluations are anticipated during the 2003-2004 and 2005-2006 fiscal years. The information generated by these two evaluations will enable the Agency to gauge more accurately whether the anticipated results have been attained.

## Horizontal initiatives

Many of the outcomes targeted by the Government of Canada require the contribution of two or more departments (including agencies and Crown corporations), other levels of government or non-governmental organizations.

Within the framework of its economic development mandate, the Agency works closely with several departments and agencies in the Industry Portfolio and with other federal departments. To give just a few examples, the Agency takes an active part in initiatives associated with the issues of innovation and the knowledge economy, rural development and Aboriginal economic development. The Agency also participates in implementation of the Canada Business Service Centre initiative.

The Agency also co-operates with the Quebec government and a large number of Quebec municipalities and inter-municipal boards under the Canada - Quebec Agreement with respect to the Infrastructure Canada Program.

To illustrate the Agency's concrete contribution to the Government of Canada's horizontal initiatives, this section addresses the co-operation between the Agency and different departments.

### Industry Portfolio priorities and Agency participation

While actively participating in the attainment of the Government of Canada's national priorities, on a complementary basis, Industry Portfolio member departments and agencies pursue four shared priorities, as follows:

- innovation,
- enterprise development,
- sustainable communities, and
- market development.

The Agency's strategic intervention framework for the economic development of the regions of Quebec means that it participates and co-operates fully in the implementation of the Industry Portfolio's four strategic priorities.

Innovation and productivity are central to the Agency's programming, particularly in the context of the IDEA-SME and RSI programs. As mentioned earlier, the Agency's intervention in innovation and productivity is in the process of increasing following a necessary adjustment and mobilization period to ensure effective intervention with regard to this priority.

Enterprise development is one of the strategic outcomes targeted by the Agency. The outcomes observed in the context of projects in progress in 2001-2002 show that the Agency has contributed to creating or maintaining 5,400 jobs in Quebec.

The Agency administers the Community Futures Program. Implemented through the CFDCs, BDCs and CEDCs, this program provides communities with access to the capital necessary for the creation and growth of small businesses.

The Agency advocates for and defends the interests of SMEs to ensure that national policy and rules governing markets are equitable and allow them to flourish fully. Also, the Agency's priority is to encourage the development of commercialization and export capabilities of small- and mid-sized enterprises in the regions of Quebec (see above the outcomes associated with priority 1.3.3).

#### Aboriginal economic development

Through its programming, the Agency supports various initiatives aimed at enhancing Aboriginal entrepreneurship. The Agency participates in a joint Industry Portfolio action plan in conjunction with the Department of Indian and Northern Affairs (INAC) with a view to facilitating Native people's access to funding, information and government programs and services.

The Agency sits on the federal interdepartmental committee on Aboriginal issues and works in particular with Native partners, such as the First People's Business Association, the *Société touristique des autochtones du Québec* (Quebec Aboriginal Tourism Corporation, or STAQ), the First Nations of Quebec and Labrador Economic Development Commission (FNQLEDC) and the Native Commercial Credit Corporation.

In addition, the Agency's business offices are involved in establishing dialogue with the communities in their regions and developing new business relations, while continuing to offer Agency programs and services to Aboriginal communities and enterprises in Quebec.



## Transfer of funds to other federal departments and agencies

The Agency's co-operation with Government of Canada departments and agencies is one implementation element of the economic development strategies specific to each region of Quebec.

The Agency designed and developed these strategies in close co-operation with the development players in each region. To arrive at these strategies, the Agency actively supports the steps undertaken by regional stakeholders to identify the economic development potential specific to each region. The Agency also helps regional development players to design, perfect and promote the implementation of projects with strategic impact in their regions.

The completion of some of these regional projects with strategic impact sometimes involves more than one federal entity with complementary mandates. When these initiatives fall under other federal departments and agencies, as prime contractors, the Agency transfers funds to those entities for their implementation.

For instance, the Agency transferred more than \$4 million in 2001-2002 to act jointly with Parks Canada to redevelop the Lachine Canal National Historic Site in Greater Montreal and Forillon National Park in the Gaspé. These initiatives tie in with one of the Agency's priorities, which is to enhance regional assets. By acting jointly with Parks Canada, the Agency seeks to foster the completion of projects of public interest that are likely to generate, in the long term, a strategic impact on the regional economy and have a major ripple effect on economic activity in the Montreal and Gaspé regions.

With a view to fostering the completion of knowledge infrastructure projects and pre-commercial R&D projects in line with Government of Canada priorities (science, technology, innovation) which are likely to have major impact on economic activity in the regions of Quebec, the Agency also transferred more than \$9 million to the National Research Centre of Canada (NRC) for the Industrial Research Assistance Program (IRAP) and for the design and construction of the Aerospace Manufacturing Technology Centre (AMTC) in Greater Montreal.

The funds destined for the NRC's IRAP, the Government of Canada's main program of assistance for innovation and technology development aimed at small- and medium-sized enterprises, are used to provide them with the information, resources and financial support they need to translate their good ideas into commercially viable products and services. IRAP participates in setting up local and national economic systems and the creation of technology clusters across the country.

As to the AMTC's facilities, which will also be financially supported by major aerospace corporations, several universities and a number of municipalities, they will offer testing and R&D services in support of Canadian aerospace manufacturers, in particular SMEs. Emphasis will be placed on the effective, timely transfer of technology to SMEs, so that these enterprises can better integrate their production with that of large Canadian manufacturers.

## Program for Export Market Development (PEMD)

The PEMD helps small enterprises exporting for the first time, or wishing to penetrate a new market, to find and exploit outlets for their products and services as well as opportunities for tendering for capital projects abroad.

The Department of Foreign Affairs and International Trade (DFAIT) is responsible for PEMD budgets and spending. But, in agreement with DFAIT and in direct association with its economic development mandate, the Agency offers the program to enterprises in the regions of Quebec.

For several years, Agency advisors have offered numerous services to enterprises under the PEMD. The table on the following page illustrates the volume of activity in 1999-2000, 2000-2001 and 2001-2002. The Agency Web site at [www.dec-ced.gc.ca](http://www.dec-ced.gc.ca) under “Programs”, provides further details on the program.

Volume of activity associated with PEMD

Number of files by fiscal year <sup>10</sup>			
Program	1999-2000	2000-2001	2001-2002
Program for Export Market Development (PEMD)	109	66	69

In 2001-2002, of all projects analysed under the program, 41 received funding for implementation. The total amount of contributions approved was more than \$1.3 million.

### Sustainable development strategy

The Agency is into the last year of its second Sustainable Development Strategy. This strategy, which will be renewed next year, is built around two areas of activity, namely, external promotion and in-house promotion of the principles and practices of sound environmental management.

The Agency’s commitments involve making small- and medium-sized enterprises aware of the potential for sustainable development, promoting the commercialization of products, processes, technology and innovative services from the Quebec environment industry, adopting greener practices and continuing greening efforts within the organization, and achieving, internally, a shared vision of sustainable development.

Overall, the objectives associated with these commitments were achieved, and even surpassed. In 2001-2002, the Agency invested more than \$7 million in 48 sustainable development projects.

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<sup>10</sup> Any financial file analysed, whether accepted or refused, on which a final decision was made in 2000-2001.

## External promotion

The Agency is continuing its efforts to raise awareness among enterprises, in co-operation with Environment Canada, the NRC and regional organizations. In 2001-2002, it set up a new Enviroclub. The goal of this club, consisting of participating enterprises led by specialized regional or sectoral stakeholders, is to advocate pollution prevention, eco-efficiency and sound environmental management in enterprises. Attainment of this objective is gradual, since Enviroclub members are:

- first, sensitized to pollution prevention;
- second, called upon to choose and develop an in-plant learning project that will enable them to reduce their production costs by adopting new ways of doing things; and
- finally, guided in the design and implementation of their project for sound management of environmental processes.

Over the past year, the Enviroclubs provided consulting services, accompanied and guided many enterprises and achieved excellent economic and environmental results.

Annual savings of more than \$1.5 million were made by SMEs as a result of the application of the recommendations and the implementation of solutions stemming from projects carried out in plants under the Enviroclub umbrella. Having invested sums of money to implement their projects, several of the enterprises guided noted a return on investment after only 10 months.

The outcomes achieved prompted the Agency to modify its objectives as to the number of learning projects concerning in-plant sustainable development practices. It now aims to set up three new Enviroclubs a year, compared with two in previous years.

The Agency has continued to support a group involving business people and enterprises in the environment sector, namely, *Réseau Environnement inc.* This association, with a membership of more than 1,500, offers, in conjunction with World Trade Centre of Montreal, a Market Development Service (MDS) for SMEs in Quebec's environment industry in order to promote the commercialization and excellence of their products and services. This commercialization assistance service continued these activities in 2001-2002 and achieved tangible results. In fact, among the outcomes observed, more than 34 SMEs benefited from the services offered by the MDS. *Réseau Environnement inc.* organized five trade missions in which 28 SMEs took part. Of this number, eight SMEs in the environment sector made sales on new markets.

The Agency contributed to the Montreal Centre of Excellence in Brownfields Rehabilitation (MCEBR) project. This not-for-profit corporation comprises partners advocating a concerted approach to resolving the problem of urban soil contamination and contributes to the implementation of projects by various means, notably technology demonstration, soil decontamination and brownfields rehabilitation.

To date, two research and development projects have been carried out, involving investment of \$1.5 million. Five other projects are in progress, for a total value of \$3 million. The MCEBR thus offers an excellent technological showcase allowing its private-sector partners to reach out to international markets.

The Agency also largely attained its objectives with respect to development of innovative products and services. In fact, it funded five study projects concerning the enhancement and sustainable development of natural resources, including one study on the natural depuration of soft shell clams, an edible shellfish, and 12 experimentation projects, such as winter harvesting of mussels and harvesting of kelp, on sustainable development principles.

In-house promotion

Internally, while its operations do not have a negative impact on the environment, the Agency continued its efforts toward greening its operations (paper recycling, two-sided printing, and green purchasing policy) and developing tools to raise staff awareness of environmental and sustainable development issues. In fact, a column presenting success stories concerning SMEs switching to sustainable development appears in the Agency's in-house publication.

The Agency complies with the legislation concerning alternate fuels. Indeed, data collection currently being carried out is intended to permit analysis of the effectiveness of a new technology for reducing gasoline consumption.

The Agency has put a management and accountability framework in place with a view to facilitating the implementation, follow-up and performance measurement of initiatives under its sustainable development strategy.

## **Government-wide initiatives**

In order to fulfil its mandate more effectively and, above all, to offer its programs and services to enterprises and local and regional economic players in an effective manner, the Agency incorporates into its day-to-day management the measures laid down by the Treasury Board of Canada Secretariat under several government-wide initiatives. These are notably part of the Government of Canada's management framework: *Results for Canadians*.

### **Inclusive Public Service**

The efforts made by all Agency managers demonstrate the exercise of exemplary leadership. They took concrete steps to increase representativeness and foster the integration among Agency personnel of members of designated groups, such as the handicapped, Native people, members of visible minorities and women in management.

Among the outcomes obtained during the 2001-2002 fiscal year, out of 57 selection processes, 24 people who had signed a voluntary statement identifying them as members of designated groups were hired or appointed to indeterminate positions within the Agency. These recruitment activities raise to 42 the number of individuals belonging to designated groups within our organization, or more than 10% of our complement.

Individual meetings were held with members of designated groups in order to assess their level of integration and satisfaction within the organization and to discuss their career planning in the federal Public Service.

### **Modern Comptrollership or Modernization of management practices**

The Government of Canada's Modern Comptrollership initiative rapidly turned, within the Agency, into a project concerning Modernization of Management Practices, a much more meaningful title for the personnel as a whole, whose support is an essential element in integrating this new management philosophy within the organization.

Over the past few years, especially in 2001-2002, many activities associated with the project to modernize management practices were undertaken at the Agency. Among these were the improvement of results-oriented management and reporting processes for projects with intermediary groups or partners, implementation of accrual accounting (financial information strategy), implementation of a new audit and evaluation policy, including a process for approval and dissemination of review reports and action plans, identification of risk in management processes and practices, implementation of a new information system, both financial and non-financial, a learning policy, and much more.

With regard to its direct services to clients, the Agency also made improvements in some of its management practices over the past year in order to enhance the quality of its service delivery. The following sections, which deal with the service improvement initiative and Government On-line (GOL), provide further details on achievements in these areas during 2001-2002.

Also, to accelerate the modernization of its management practices, in March 2002, the Agency undertook the setting up of a modernization office, with dedicated resources, to ensure that every effort required is made over the next two years to complete this large-scale administrative reform project. The Agency has also developed, over the past few months, a strategy which details its approach for integrating the elements of the Modern Comptrollership initiative into its corporate culture and practices.

The Agency will conduct an evaluation, in Fall 2002, of the implementation status of this modernization project. This exercise will make it possible, first, to identify management mechanisms which require improvement, and then to develop an action plan for adapting or modernizing its management processes or practices in line with the thrust of Government of Canada policy. The action plan will also include objectives, performance indicators and timetables for each action identified so that adequate monitoring of progress can be carried out.


## Service improvement initiative and customer satisfaction

The quality of services is a constant concern of staff, and the Agency's ISO 9002 certification is indeed tangible evidence of this. As in past years, the Agency measures its clients' satisfaction by means of two complementary tools. First, the Agency sends the client an evaluation questionnaire after the service: this tool is used for continuous measurement throughout the year. Moreover, the annual telephone survey conducted by an outside firm remains the main information-gathering tool.<sup>11</sup> This year, the pool of clients was extended to cover clients' satisfaction more comprehensively at different stages in the financial assistance service: application processing and claim processing. In addition, the poll enabled the Agency to confirm clients' perception with respect to the application of its service standards and to find out their expectations concerning certain aspects of service.

In the context of the service improvement initiative, the Agency's goal is to maintain the high levels of satisfaction it has received for several years, while continuing its efforts to improve certain facets of service. The table opposite shows that customer satisfaction remains high for each aspect of service offered.

**Economic Development Canada**

**Service standards**



**WE UNDERTAKE TO PROVIDE OUR CLIENTELE WITH QUALITY SERVICE.**


**PROFESSIONAL, COURTEOUS SERVICE**  
We serve the client courteously and professionally.

**CUSTOMIZED SERVICE**  
Upon request or on the initiative of an advisor, we arrange an interview with our clients in order to understand their needs clearly and to define their projects.

**RESPONSIVE SERVICE**  
We return our clients' calls within two working days.  
Our objective is to minimize response time with respect to the client's request for information or advice. If the application requires in-depth research, we inform the client of the processing time needed.  
Our objective is to minimize response time with respect to the client's application for financial assistance. As soon as the application is complete and analysis of the project can begin, we aim to notify the client of our decision within 35 to 65 days, depending on the scope of the project.  
We serve our clients in the official language of their choice.

**CONFIDENTIAL SERVICE**  
We process all client files in strict confidentiality.  
*If you feel we have not lived up to our commitment to provide you with quality service, please contact the director of the office serving you.*

[www.dec-ced.gc.ca](http://www.dec-ced.gc.ca)

 **Canada Economic Development for Quebec Regions** **Développement économique Canada pour les régions du Québec**

**Canada**

December 2001

<sup>11</sup> The survey questionnaire was developed from the common measurement tool used within the Government of Canada.



Satisfaction levels of enterprise and organization clientele receiving financial assistance from the Agency in 2001-2002

Key indicator	Satisfaction level <sup>12</sup>	
	2000-2001	2001-2002
Access to services	88 %	87.7 %
Ability to meet clients' needs	83.3 %	87.3 %
Application response time	78.6 %	N/A
Financial assistance application response time	N/A	86 %
Claim response time	N/A	82 %
Clarity of administrative documents received	88.5 %	88.2 %
Courtesy of staff	99.6 %	97.3 %
Competence of staff	91.2 %	91.2 %
Accompaniment through procedure	87.9 %	90.5 %
<b>Quality of service in general</b>	<b>91.1%</b>	<b>92 %</b>

The Agency also measures the satisfaction of enterprises and organizations whose applications for financial assistance were not accepted. While the satisfaction levels of these clients are lower than those of clients who did receive assistance, the fact remains that these respondents still wish to do business with the Agency. Close to two-thirds of the respondents plan to make an application for financial assistance to the Agency over the next year.

The standards disseminated to our clients were also the subject of follow-up. While it is difficult to determine standards in view of the diversity and complexity of projects submitted, the Agency set itself target deadlines for responding to clients.

Compared with last year, the findings of the annual poll reveal an increase of at least 5% in clients' satisfaction with regard to response times. Advisors' concern to accompany clients through the process and inform them of the status of their files explains part of this increase. Indeed, 90% of clients confirmed that they had always been kept properly up to date on the status of their files. As to call-return times, clients stated that advisors always (68%) and often (21%) return their calls within two working days.

Although the Agency, year in, year out, garners high satisfaction levels from its clientele, it wishes to continue its service delivery enhancement process. To that end, the Agency therefore set up a Service Enhancement Quality Circle, whose mandate is to propose objectives and plans for improving services so as to better meet its clientele's expectations.

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12 Percentage of clients stating they are very satisfied or satisfied with the services received.

## Government On-line

The Government of Canada's Government On-line (GOL) initiative aims to make the main government programs and services accessible on line by 2005. Since the Agency fully espouses the objectives of this project, it invested financial resources and effort over the past year to continue its implementation.

The GOL project made considerable progress during the 2001-2002 fiscal year. The Agency's Web site has been completely revamped. It now meets the requirements of the government objectives. Indeed, information and services are now presented on the basis of clients' needs. It provides information on programs and services, in a regional perspective and in line with users' expectations.

In fact, 45% of the clients responding to the Agency's annual poll said they had consulted the Agency's Web site in 2001-2002. Of this number, close to 81% stated their satisfaction with the relevance of the information they found there.

The Agency has also set up a special team, "Canada Economic Development (CED) On-line", within its regional operations. This team is responsible for processing and forwarding the many email messages sent to the Agency. As required, applications are analysed, dealt with directly or redirected to the business offices. The CED On-line team is also working to implement the first steps so that the IDEA-SME program services can be offered, in whole or in part, via the Web by 2005.

In terms of "hits", in 2001-2002, the number of visits rose by 18.75% compared with 2000-2001 FY to almost 100,000 visits a year. This represents a 66% increase over the 1999-2000 fiscal year. This upward trend demonstrates that public expectations and needs with respect to on-line government services are being confirmed and evolving rapidly. In this context, the effort expended by the Agency has enabled it to adjust adequately to changing demand from Canadians. Also, the action it plans to take in the coming months should enable it to maintain its course as well as its ability to meet Canadians' expectations, while keeping up a high level of user satisfaction.

Number of visits to Agency Web site

Visits	1999-2000	2000-2001	2001-2002
<b>Total visits</b>	<b>57,712</b>	<b>80,742</b>	<b>95,884</b>
<b>Visits to French site</b>	38,552 (66.8%)	52,967 (65.6%)	62,900 (65.6%)
<b>Visits to English site</b>	19,160 (33.2%)	27,775 (34.4%)	32,984 (34.4%)





# 4

## LESSONS LEARNT

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The Agency yearly conducts a series of reviews<sup>13</sup>, that is, evaluations and audits, in order to measure whether its actions actually enable it to achieve the sought-after outcomes, to confirm the relevance of its intervention in the regions of Quebec and to check whether it is administering efficiently and rigorously the public resources entrusted to it. These reviews cover Agency initiatives and programs. Recommendations made as a result of these reviews prompt the Agency, among other things, to enhance its intervention and management modes, both with respect to its relations with its clientele and collaborators and with regard to its own management practices. This section reports on the integration of lessons learnt from reviews conducted between 1999 and 2002.

### Management practices

The government's management framework encourages the Agency, and all Government of Canada departments, to be watchful and question itself constantly so as to improve the management of the programs and resources for which it is responsible. Achievement of its objectives and maintenance of harmonious business relations with enterprises and economic development players depend on its ability to adjust to evolving needs and new realities. Following are some examples of how the Agency has improved its processes in response to reviews.

#### Performance measurement framework for the Agency

With a view to ensuring better follow-up on its different activities and putting in place the foundations of results-oriented management, the Agency has increased its efforts with respect to continuous performance measurement.

The Agency developed its own continuous performance measurement framework which allows it better to define the objectives and to monitor the attainment of sought-after outcomes in the context of its programming. This management tool has contributed to improving the processing of contribution agreements.

In fact, the results indicators developed for the continuous performance measurement framework are now used as early as the project design stage and are incorporated in the agreements, in line with the nature of each of the activities for which a contribution is provided. These efforts are backed by concrete steps aimed at providing Agency advisors and clientele with the necessary tools for continuous performance measurement. These steps will enhance performance monitoring, thus enabling the Agency to have information on outcomes available for management purposes and provide a better accounting to the Canadian Parliament and public.

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13 Periodic or *ad-hoc* assessment of the performance of an action.

## Risk management

In 2001, Agency managers exercised caution and vigilance in evaluating business risks likely to affect fulfilment of the Agency's mandate. This risk assessment exercise highlighted the need to ensure more rigorous follow-up on certain business risks that were deemed significant. This observation translated into development of a risk-based three-year internal audit plan. Implementation of this audit plan has since allowed senior management to ensure that its processes are well managed and administered, and consequently that the main risks that could threaten the Agency are identified, monitored and kept at an acceptable level.

## Continuous feedback watch committees

In addition, recommendations from reviews have led to reiteration of the importance of maintaining watch committees within the Agency. The role of these committees is to conduct follow-up on the Agency's intervention modes in different areas, such as innovation and productivity, tourism, international trade and entrepreneurship. Staff members who sit on these committees look after harmonizing Agency action, share best practices and, on an ongoing basis, make recommendations to senior management.

## Greater structure for contribution proposals

The Agency has observed that contribution applications submitted by clients were not always sufficiently detailed. Requirements concerning information accompanying applications submitted to the Agency were therefore revised to ensure that the nature and planning of projects are described in greater detail. This additional detail facilitates project analysis and leads to better decision-making.

## **Management of agreements with intermediary groups**

The Agency conducts many activities in co-operation with non-profit organizations working in particular with small- and medium-sized enterprises. These key economic players, also known as intermediary groups, are located in the different regions of Quebec. They have expertise in their local areas or in a specific niche, and this constitutes added value in service delivery. Following are some examples of action taken following reviews on the management of agreements with intermediary groups.

### Intermediary groups and customer service

The Agency recognizes the economic catalyst role played by certain intermediary groups with special expertise, as this enhances the Agency's effectiveness and scope of action throughout Quebec. This recognition explains the increase in the number of agreements signed with intermediary groups which make it possible to maximize the impact of Agency intervention on Quebec enterprises.

In some cases, it appeared most helpful to benchmark the activities of intermediary groups by specifying their mandates and objectives so that they concentrate on their main functions vis-à-vis their clientele.

### Funding of intermediary groups

Finally, recommendations prompted the Agency to pay special attention, in the context of funding of intermediary groups, to the consolidation and introduction of factors likely conducive to their survival. These concerns led the Agency to establish or renew agreements encouraging the diversification of funding sources (private, public).





# APPENDIX I:

## AGENCY PROGRAMMING

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### IDEA-SME

This program is intended for a clientele consisting of Quebec SMEs and SME support organizations. IDEA-SME provides financial support for SME projects in the following areas of activity:

- Innovation and productivity
- Market development and exports
- Entrepreneurship and business climate development

### Regional Strategic Initiatives (RSI)

This program involves developing and implementing strategies and action plans to foster development of a socio-economic climate conducive to strengthening the assets and competitive advantages of Quebec's regions. The RSI program supports major initiatives likely to have a growth-generating impact on the regional economy.

### Community Futures Program (CFP)

The CFP is a Canada-wide program that supports communities, in every region of the country, to help them take charge of their own economic development. In Quebec, the CFP provides financial support to 56 Community Futures Development Corporations (CFDCs), and also supports 14 Community Economic Development Corporations (CEDCs) and nine Business Development Centres (BDCs).

### Coastal Quebec Fund (CQF)

This fund, also known as the Special Fund for the Economic Development and Adjustment of Quebec Fishing Communities, terminates in March 2003 and is intended to implement measures to support economic and community development of communities affected by the restructuring of the fishing industry (Côte-Nord and Gaspésie — Îles-de-la-Madeleine administrative regions, and adjacent fishing communities).



## Canadian Support Program for the Gaspésie — Îles-de-la-Madeleine Economy

This program is a special measure with a budget of \$35 million over five years to improve the economic situation in the Gaspé Peninsula and the Magdalen Islands. It is in addition to the Agency'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 Canada Program

Within the framework of the pan-Canadian Infrastructure Program under Treasury Board responsibility, a \$1.5-billion Canada-Quebec Agreement was signed in October 2000. The objective of this partnership agreement is to upgrade municipal, urban and rural infrastructure in Quebec as well as improving Quebecers' quality of life. 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, in particular municipalities.

## Canada Small Business Financing Act (CSBFA)

The objective of the Canada Small Business Financing program is to encourage participating lending institutions to increase the availability of loans for the establishment, expansion, modernization and upgrading of small business enterprises. Application of this Act, including all administrative arrangements and performance information, 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* in 1998.



## APPENDIX II: FINANCIAL PERFORMANCE

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### Overview

The Agency's total authorities, consisting of Main Estimates and Supplementary Estimates voted by Parliament, stand at \$354.3 million. The Agency's actual expenditures of \$260.6 million were 26% below this. The difference is primarily attributable to the authorized deferral of funding from 2001-2002 to subsequent years in order to provide funding for the Infrastructure Canada Program and to funds reserved for other government departments for the joint funding of initiatives.

### Summary financial tables

Canada Economic Development for Quebec Regions is required to produce the following financial tables for 2001-2002:

Financial table 1	Summary of voted appropriations
Financial table 2	Comparison of total planned spending with actual expenditures
Financial table 3	Historical comparison of total planned spending with actual expenditures
Financial table 4	Integration of strategic results
Financial table 5	Non-responsible revenue
Financial table 6	Statutory payments
Financial tables 7 and 7a	Transfer payments
Financial table 8	Contingent liabilities

The purpose of these financial tables is to show:

- Expenditures planned at the start of the year, which match those shown in the *2001-2002 Report on Plans and Priorities* in the "Planned spending 2001-2002" column.
- Total authorities figures, which include those in the Main and Supplementary Estimates and other authorities, and correspond to those shown in the Public Accounts for 2001-2002.
- Actual expenditures, which are consistent with those shown in the Public Accounts for 2001-2002.

## Financial table 1: Summary of voted appropriations

### Financial requirements by authority

This table shows appropriations voted by Parliament for resources provided for in the *2001-2002 Report on Plans and Priorities*, changes made to resources following Supplementary Estimates and other authorities, as well as the use of funds.

Canada Economic Development for the Regions of Quebec		2001-2002 (in millions of dollars)		
Vote		Planned spending	Total authorities	Actual expenditures
55	Operating expenditures	33.7	42	<b>40.3</b>
60	Grants and contributions	262.7	267.1	<b>175.1</b>
(S)	Obligations under the <i>Small Business Loans Act</i>	30	27.7	<b>27.7</b>
(S)	Obligations under the <i>Canada Small Business Financing Act</i>	15	13.8	<b>13.8</b>
(S)	Contributions to employee benefit plans	3.7	3.7	<b>3.7</b>
(S)	Spending of proceeds from disposal of surplus Crown assets	-	0.03	<b>0.03</b>
<b>Total for the Agency</b>		<b>345.1</b>	<b>354.3</b>	<b>260.6</b>

The \$6.6-million increase in actual expenditures over planned spending in the operating budget is attributable primarily to:

- additional funds received to maintain Service Canada;
- implementation of innovation and productivity initiatives following the transfer of Canada Jobs Fund appropriations;
- compensation for increased salary costs expected to arise from renewal of certain collective agreements.

The \$87.6-million decrease in actual expenditures compared with planned spending in the grants and contributions budget is largely explained by the authorized deferral of funding from 2001-2002 to subsequent years to finance the Infrastructure Canada Program and by the transfer of funds to other departments for the joint funding of initiatives.

## Financial table 2: Comparison of total planned spending with actual expenditures

### Agency planned versus actual spending

This table shows the net cost of the Program for the government by adding revenues received by the Agency and the cost of services provided free-of-charge by other departments, such as premises provided by Public Works and Government Services Canada.

	2001-2002 (in millions of dollars)		
Promotion of the economic development of the regions of Quebec	Planned spending	Total authorities	Actual expenditures
<b>FTE<sup>14</sup></b>	<b>306</b>	<b>331</b>	<b>357</b>
■ Operations <sup>15</sup>	37.4	45.7	<b>44.0</b>
■ Grants and contributions <sup>16</sup>	307.7	308.6	<b>216.6</b>
<b>Total gross expenditures</b>	<b>345.1</b>	<b>354.3</b>	<b>260.6</b>
<b>Less:</b>			
■ Respendable revenues	--	-	
<b>Total net expenditures</b>	<b>345.1</b>	<b>354.3</b>	<b>260.6</b>
<b>Other revenues and expenditures:</b>			
■ Non-respendable revenues <sup>17</sup>	(49.5)	(49.5)	<b>(49.6)</b>
■ Cost of services provided by other departments	4.1	4.1	<b>4.1</b>
<b>Net program cost</b>	<b>299.7</b>	<b>308.9</b>	<b>215.1</b>

The difference between planned use of full-time equivalents (FTE) and actual use is primarily attributable to the resources hired under innovation and productivity initiatives implemented following the transfer of Canada Jobs Fund appropriations.

14 "Full-time equivalent" (FTE) numbers are expressed in units.

15 Include contributions to employee benefit plans.

16 Details of grants and contributions are shown in Table 7a.

17 Details of non-respendable revenues are shown in Table 5.

### Financial table 3: Historical comparison of total planned spending with actual expenditures

This table provides a historical overview of the use the Agency makes of its resources.

	Actual expenditures 1999-2000	Actual expenditures 2000-2001	2001-2002 (in millions of dollars)		
			Planned spending	Total authorities	Actual expenditures
Promotion of the economic development of the regions of Quebec	258	233.2	345.1	354.3	<b>260.6</b>
<b>Total</b>	<b>258</b>	<b>233.2</b>	<b>345.1</b>	<b>354.3</b>	<b>260.6</b>

The increased spending in 2001-2002 over 2000-2001 is attributable, on the one hand, to the implementation of innovation and productivity initiatives and the Infrastructure Canada Program. On the other hand, since a deferral of funding was authorized from 2000-2001 to subsequent years in order to provide funding for the Canadian Support Program for the Gaspésie — Îles-de-la-Madeleine Economy, expenditures were lower for that year.

In 2001-2002, the difference between planned spending and actual expenditures is primarily attributable to the deferral of funding authorized from 2001-2002 to subsequent years in order to provide funding for the Infrastructure Canada Program and to transfers of funds to other departments for the joint funding of initiatives.

## Financial table 4: Integration of strategic results

This table shows actual expenditures in 2001-2002 on grants and contributions (Vote 60) by strategic outcome.

	<b>Strategic outcome</b> (in millions of dollars)		
<b>Promotion of the economic development of the regions of Quebec</b>	Foster enterprise development	Contribute to enhancement of the environment for the economic development of the regions	Facilitate development and renewal of community infrastructure
Planned resources 2001-2004 in the <i>2001-2002 Report on Plans and Priorities</i>	185 / 3 years	190 / 3 years	—
Actual expenditures 2001-2002	72	81.2	21.9

## Financial table 5: Non-respondable revenue

This table provides a historical view of actual revenue received. This consists essentially of service fees for loan guarantees, which represent fees paid by borrowers approved under the *Small Business Loans Act*, the *Canada Small Business Financing Act* and the Loan Insurance component of the *Atlantic Enterprise Program*, and repayment of repayable contributions provided by the Agency.

			2001-2002 (in millions of dollars)		
	Actual revenue 1999-2000	Actual revenue 2000-2001	Planned revenue	Total authorities	Actual revenue
Promotion of the economic development of the regions of Quebec	52.9	63.1	49.5	49.5	49.6
<b>Total non-respondable revenue</b>	<b>52.9</b>	<b>63.1</b>	<b>49.5</b>	<b>49.5</b>	<b>49.6</b>

The decline in revenue in 2001-2002 compared with 2000-2001 is attributable to a reduction in loan registrations and administration fees charged with respect to loan guarantees.

## Financial table 6: Statutory payments

This table shows statutory payments made by the Agency with respect to obligations under the *Small Business Loans Act* (SBLA) and the *Canada Small Business Financing Act* (CSBFA) as well as contributions to employee benefit plans.

	Actual expenditures 1999-2000	Actual expenditures 2000-2001	2001-2002 (in millions of dollars)		
			Planned spending	Total authorities	Actual expenditures
Promotion of the economic development of the regions of Quebec	78.5	51.7	48.7	45.2	45.2
<b>Total statutory payments</b>	<b>78.5</b>	<b>51.7</b>	<b>48.7</b>	<b>45.2</b>	<b>45.2</b>

Actual expenditures in 2001-2002 were lower than planned spending and expenditures in previous years owing to reduced obligations under the SBLA.



## Financial table 7: Transfer payments

This table shows transfer payments and includes expenditures made for both statutory and voted appropriations with respect to grants and contributions paid under Agency programs.

Details of transfer payments for 2001-2002 by program are presented in Table 7a.

	Actual expenditures 1999-2000	Actual expenditures 2000-2001	2001-2002 (in millions of dollars)		
			Planned spending	Total authorities	Actual expenditures
Promotion of the economic development of the regions of Quebec					
■ Grants	0.3	8.2	10.3	13.3	13.1
■ Contributions	223.1	189.2	297.4	295.3	203.5
<b>Total grants and contributions</b>	<b>223.4</b>	<b>197.4</b>	<b>307.7</b>	<b>308.6</b>	<b>216.6</b>

The Agency's regular programming includes a \$300,000 authority for grants. In 2000-2001, two new grants were approved. The Agency then paid \$5 million to the Montreal Symphony Orchestra's endowment fund. A \$19.3-million grant was also authorized to the Quebec Port Authority for development of the cruise terminal and enhancement of Pointe-à-Carcy; \$3 million was paid in 2000-2001 and \$13 million in 2001-2002, while spending of \$10 million was planned early in the year.

In 2001-2002, the difference between planned spending and actual expenditures is primarily attributable to the deferral of funding authorized from 2001-2002 to subsequent years in order to provide funding for the Infrastructure Canada Program and to transfers of funds to other departments for the joint funding of initiatives.

## Financial table 7a: Description of funds distribution by program

This table shows resources for each of the Agency's programs for 2001-2002.

<b>Program</b> (in millions of dollars)	<b>Planned spending</b>	<b>Total authorities</b>	<b>Actual expenditures</b>
IDEA-SME Program	54	47.7	<b>47.5</b>
Regional Strategic Initiatives (RSI)	72.3	78.8	<b>66.3</b>
Infrastructure Canada Program	95.8	101.2	<b>21.9</b>
Community Futures Program (CFP)	25.5	22.4	<b>22.4</b>
Canadian Support Program for the Gaspésie — Îles-de-la-Madeleine Economy	2.5	1	<b>1</b>
Coastal Quebec Fund (CQF)	2.6	3	<b>3</b>
Grant to Quebec Port Authority	10	13	<b>13</b>
<i>Canada Small Business Financing Act (CSBFA)</i>	15	13.8	<b>13.8</b>
<i>Small Business Loans Act (SBLA)</i>	30	27.7	<b>27.7</b>
<b>Total</b>	<b>307.7</b>	<b>308.6</b>	<b>216.6</b>

## Financial table 8: Contingent liabilities

This table shows future costs which the Agency may have to assume in case of events or decisions beyond its control; the amount of contingent liability represents loans from financial institutions that have been guaranteed by the Agency.

Contingent liabilities	Amount of contingent liability (in millions of dollars)		
	As of March 31, 2000	As of March 31, 2001	Current as of March 31, 2002
Loans			
Atlantic Enterprise Program <sup>18</sup>	0.9	0.8	0.7
<i>Small Business Loans Act</i> <sup>19</sup>	299.8	258.4	220.4
<i>Canada Small Business Financing Act</i> <sup>19</sup>	88.2	144.3	146.5
<b>Total</b>	<b>388.9</b>	<b>403.5</b>	<b>367.6</b>

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18 Represent loan guarantees under the Atlantic Enterprise Program. Under this program, the Government of Canada guaranteed loans to establish, expand or modernize commercial business operations in the Gaspé Peninsula, Magdalen Islands and Atlantic Provinces. Pursuant to Order in Council P.C. 1991.1114 dated June 13, 1991, responsibility for loan guarantees within the Province of Quebec is assumed by Canada Economic Development.

19 Represent loan guarantees under the *Small Business Loans Act*. This legislation, which was passed in January 1961, was designed to increase the availability of loans for the establishment, expansion, modernization and upgrading of small business enterprises. Pursuant to Order in Council P.C. 1991.1114 dated June 13, 1991, responsibility for loan guarantees within the Province of Quebec is assumed by Canada Economic Development. Although this statute has been repealed, it continues to apply to loans provided prior to April 1, 1999. The *Canada Small Business Financing Act*, which supersedes the *Small Business Loans Act*, applies only to loans provided after March 31, 1999.



## APPENDIX III: AGENCY PERFORMANCE MEASUREMENT METHODOLOGY

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### Project reference base

The reference base for this performance report consists of projects in progress in 2001-2002, that is, projects for which an expenditure was made during FY 2001-2002. These projects can include new contribution agreements signed between April 1, 2001 and March 31, 2002 as well as projects prior to April 1, 2001 provided they were subject to expenditure by the Agency in 2001-2002.

The reference base for projects used to measure results differs from that used in 2000-2001. In 2000-2001, projects approved during that fiscal year, or more specifically new agreements signed, comprised the project base used to gather information on results. The reference base used in 2001-2002 is more representative of the Agency's intervention as it allows for measurement of a larger number of projects which have gone beyond the implementation phase or have been completed. In short, the new reference base provides a more accurate picture of the results obtained by the Agency in 2001-2002.

### Data collection methods

The results presented in this report were achieved through two service delivery modes: direct assistance to SMEs, administered by Agency advisors, and indirect assistance to SMEs and entrepreneurs through collaborators whom the Agency supports financially.

Intervening in two ways vis-à-vis enterprises, the Agency's performance measurement strategy involves two data collection methods. These were used to gather information on results from the chosen reference base:

- Yearly client survey, and
- Project follow-up by advisors.

A telephone survey of Agency clientele yielded information on results for enterprises, organizations which hold *ad-hoc* activities and some festival organizers.

Follow-up by advisors from the Agency's different regional offices provided the necessary information on results for non-profit organizations which provide services to enterprises, commonly known as intermediary groups. This procedure involved identifying all the projects as well as the indicators to be documented by the advisors in the regions so as then to entrust co-ordination of information-gathering to a person responsible in each of the Agency's regional offices. This individual compiled the information from activity reports or by contacting intermediary group representatives.

Data gathered by the advisors and consolidated by the individuals responsible in the regions were validated by the Quality and Review Directorate in each of the Agency's regional offices and at Head Office.

With respect to the results for organizations funded under the CFP, these were gathered from all CFDCs, BDCs and CEDCs. The individuals responsible in the regional offices forwarded to the organizations a file received from the Agency's Local Entrepreneurship Directorate specifying the indicators to be documented and asking them to supply the information. Data from organizations were gathered by the regional offices and then sent on to the Local Entrepreneurship Directorate, which consolidated, validated and verified them.

#### Job creation and maintenance

The results on job creation and maintenance come from the two information sources listed above.

The methodology for measuring job creation and maintenance under the Community Futures Program was altered in 2001-2002. The new data collection method used is more comprehensive since it consolidates all the data from each CFDC and BDC. Previously, data were gathered through a telephone poll of clients from a sample of CFDCs (one-third of the CFDC network each year), and the results were used to make a projection for all CFDCs.

#### Leverage effect

The financial contribution provided by the Agency to an enterprise leads, by means of a leverage effect, to additional funding from other stakeholders (financial institutions, and provincial and federal government departments and agencies). This leverage effect shows that enterprises benefit from a broader partnership and that the Agency is not the sole provider of funding. Through this indicator, the Agency ensures maximum use of the financial resources placed at its disposal.

The leverage effect is calculated by dividing, for enterprises, in the context of priorities 1.2, 1.3.2 and 1.3.3, (a) the total value of corporate projects in progress during FY 2001-2002 (the total value of a project is its total cost, regardless of funding source) by (b) the total amount of contributions approved by the Agency for those projects. The following table shows how the leverage effect is calculated.

#### Calculation of leverage effect

Priority		Leverage effect (enterprises)	
1.2	Establishment of strategic enterprises	(a) \$82,383,709 (b) \$14,382,782	<b>5.73</b>
1.3.2	Innovation in processes, equipment and products	(a) \$123,339,615 (b) \$23,254,203	<b>5.30</b>
1.3.3	Commercialization	(a) \$173,158,346 (b) \$44,984,039	<b>3.85</b>
<b>Average for the three priorities</b>		(a) \$378,881,670 (b) \$82,621,024	<b>4.59</b>

- (a) Total value of corporate projects in progress during FY 2001-2002 (the total value of a project is its total cost, regardless of funding source)  
 (b) Total amount of contributions approved by the Agency for these projects

#### Incentive nature of assistance

This indicator is used to confirm whether projects which received a financial contribution from the Agency would not have been carried out without its assistance or would have been carried out differently. It corresponds to the proportion of respondents to the yearly telephone poll who stated that, without Agency assistance, they would not have been able to carry out their project within the same timeframe or on the same scale.

#### Methodological limitations with respect to performance measurement

Documenting the results associated with Agency interventions presents some major methodological challenges. First there are the problems associated with the time-specific character of the results, which depends on the nature of the projects. In fact, while it is possible to account for expenditures associated with the financial contributions provided for the implementation of projects as of March 31, 2002, it is, on the other hand, far harder to isolate and measure their results. For instance, certain projects such as capital projects or projects associated with innovation can be spread over more than one year, so anticipated results do not necessarily arise during the year in which they were approved or in which the contributions were paid. Moreover, other projects may have ended only shortly before, and their main effects, notably in terms of job maintenance or creation, will appear only later and therefore cannot be documented in this report.

Regardless of the information collection method used, the Agency's measurement strategy cannot measure the ripple effect which these projects will have on regional economies over time. Performance measurement covers more the immediate impact of the interventions than the long-term effects. It will be possible to document these longer-term effects through an evaluation process. In short, the results presented in this report constitute only part of the results to which the Agency contributes.

Methodological limitations with respect to job creation and maintenance

Aside from the time-specific character associated with the nature of certain projects, the types of clients supported by the Agency also represent another methodological challenge with regard to performance measurement, in particular the measurement of job creation and maintenance. Thus, as was mentioned above, the Agency serves SMEs either directly or indirectly. Through Agency staff, it provides direct support to SMEs by awarding financial contributions. It supports SMEs indirectly when it provides financial assistance for intermediary groups which in turn dispense services directly to SMEs. In short, some of the jobs created or maintained stem directly from the Agency's financial assistance, whereas in the case of services provided by intermediary groups, these jobs are an indirect consequence of Agency intervention. In the context of this report, the Agency counts jobs created or maintained directly or indirectly through its intervention.

The definition used by the CFDCs and BDCs for measuring job creation and maintenance differs from the Agency's. Whereas the Agency measures job creation and maintenance through its financial contributions, the CFDCs and BDCs count jobs maintained or created within the framework of financial support and following technical assistance.

Attribution of results

Moreover, since the Agency works closely with several departments and agencies of the Government of Canada and the Quebec government, as well as with many local and regional players when financial packages are arranged for projects, the Agency cannot alone claim responsibility for the results presented. The support provided by the Agency for project implementation contributes to the attainment of results.



## APPENDIX IV: SUMMARY TABLE OF COMMITMENTS AND THE EXTENT OF THEIR ACHIEVEMENT

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### Extent of achievement of commitments

The commitments made in the *2001-2002 Report on Plans and Priorities* are spread over a three-year period to 2004. Based on results-related information, the Agency can identify performance trends, that is, the extent of achievement of commitments.

The extent to which the Agency's commitments are achieved is calculated by comparing:  
(a) the Agency's commitments in its 2001-2002 RPP for each priority; and  
(b) the results attained in 2001-2002 with respect to those commitments.

The accumulated results attained in 2001-2002 by commitment determine the extent to which the Agency's commitments are achieved for each priority.

### Extent of achievement of 2001-2002 commitments

Legend:	★ Objective being exceeded
	✓ Objective being achieved
	◆ Progress to be made

Information sources:      Performance follow-up conducted by advisors and  
Annual customer survey.

EXTENT OF ACHIEVEMENT	2001-2004 COMMITMENTS	MAIN RESULTS OBSERVED AS OF MARCH 31, 2002 ASSOCIATED WITH PROJECTS IN PROGRESS
<b>Strategic outcome #1 Foster enterprise development</b>		
★	1.1 Improve enterprises' access to relevant general information	
★	Respond to 750,000 information requests	<ul style="list-style-type: none"> <li>• Responded to 343,523 information requests</li> <li>• Holding of 3 Info-Fairs drawing more than 2,000 participants</li> <li>• Including Info-Fairs, 47 activities to raise awareness of economic development issues were held, hosting more than 4,000 participants</li> <li>• A recent evaluation of Canada Business Service Centres operating in Quebec (<i>Info entrepreneurs</i> and <i>Ressources Entreprises</i>) showed that 80% of clients who received information found it helpful</li> </ul>



EXTENT OF ACHIEVEMENT	2001-2004 COMMITMENTS	MAIN RESULTS OBSERVED AS OF MARCH 31, 2002 ASSOCIATED WITH PROJECTS IN PROGRESS
★	1.2 Foster establishment of strategic enterprises	
	★ 300 entrepreneurs assisted in their pre-startup or startup projects for new SMEs	<ul style="list-style-type: none"> <li>• Approval of 91 new contributions for projects associated with this priority</li> <li>• 172 interventions vis-à-vis entrepreneurs by specialized resources to accompany them in their approach to implementation, enlargement or expansion</li> <li>• Pre-startup of 123 enterprises</li> <li>• Startup of 91 enterprises</li> <li>• 32 enterprises having acquired equipment or new technology</li> </ul>
	1.3 Enhance enterprises' competitiveness	
✓	1.3.1 Encourage adoption of new business practices	
	✓ 70 SMEs made aware and guided in their management of sustainable development and the environment	<ul style="list-style-type: none"> <li>• 50 enterprises made aware of issues associated with management of sustainable development and the environment</li> <li>• Of this number, 13 enterprises were accompanied and guided in their steps toward adopting an environmental management process</li> </ul>
◆	1.3.2 Promote innovation in processes, equipment and products	
	★ 1,700 SMEs made aware of technological innovation and productivity issues	<ul style="list-style-type: none"> <li>• Organization and holding of 500 activities in the regions of Quebec raising 3,480 participants' awareness of innovation issues</li> </ul>
	✓ 1,200 SMEs visited by an engineer to evaluate their technological capabilities	<ul style="list-style-type: none"> <li>• 426 visits were made to SMEs</li> <li>• 67 engineers were hired</li> </ul>
	◆ 60 technological and knowledge-based SMEs given access to conventional financing	<ul style="list-style-type: none"> <li>• In view of the results observed over the past few years, the Agency has temporarily shelved this initiative in order to conduct an in-depth review of its operations so as to maximize the benefit from this</li> <li>• Achievement of this commitment is therefore postponed</li> </ul>
	✓ Conducting of 125 diagnostics to enhance productivity	<ul style="list-style-type: none"> <li>• More than 200 interventions were carried out vis-à-vis entrepreneurs to accompany them in their innovation projects</li> </ul>
	◆ 300 projects for development of products or processes and productivity enhancement	<ul style="list-style-type: none"> <li>• Approval of 74 new contributions</li> <li>• 45 enterprises developed an innovation action plan</li> <li>• 51 enterprises acquired equipment or new technology</li> <li>• 14 enterprises made additional investment in research and development</li> </ul>

EXTENT OF ACHIEVEMENT	2001-2004 COMMITMENTS	MAIN RESULTS OBSERVED AS OF MARCH 31, 2002 ASSOCIATED WITH PROJECTS IN PROGRESS
★	1.3.3 Encourage development of commercialization and export capabilities	
	★ 5,000 SMEs made aware of the development of international markets or e-commerce	<ul style="list-style-type: none"> <li>• Organization and holding of 757 activities raising 18,710 participants' awareness of commercialization and export issues</li> </ul>
	✓ 900 export-related projects carried out by SMEs	<ul style="list-style-type: none"> <li>• In 2001-2002, the Agency approved 241 new contributions in this area</li> <li>• 74 commercialization plans were developed</li> <li>• 338 interventions were carried out vis-à-vis enterprises to accompany them in the process of commercializing and exporting their products and services</li> <li>• 146 pre-diagnostics and diagnostics were carried out</li> <li>• 50 trade missions were organized in connection with a trade fair, conference or business event</li> <li>• 65 enterprises commercialized a new or improved product</li> <li>• 133 enterprises entered export markets for the first time</li> <li>• 207 enterprises already doing business on foreign markets made sales on new export markets</li> </ul>
★	1.4- Foster development of small enterprises of local and regional scope	
	★ 1,500 startups, expansions or refinancings of small enterprises	<ul style="list-style-type: none"> <li>• Pre-startup of 118 enterprises</li> <li>• Startup of 972 enterprises</li> <li>• Expansion of 535 enterprises</li> </ul>

EXTENT OF ACHIEVEMENT	2001-2004 COMMITMENTS	MAIN RESULTS OBSERVED AS OF MARCH 31, 2002 ASSOCIATED WITH PROJECTS IN PROGRESS
<b>Strategic outcome #2 Contribute to improving the environment for economic development of the regions</b>		
✓	2.1 Encourage development of local capability to energize development of the local economy	
	★ 3,000 economic development players informed and mobilized to energize the development of the regions	<ul style="list-style-type: none"> <li>• More than 38,000 participants in awareness activities were informed of the issues and challenges affecting the development of the regions of Quebec</li> </ul>
	★ Regional stakeholders informed of the economic context and made aware of new development issues	<ul style="list-style-type: none"> <li>• More than 310 projects being developed were created in Quebec communities as a result of efforts to empower and mobilize the economic and social stakeholders of the regions of Quebec</li> </ul>
	✓ 3,000 young students made aware of careers in the business world	<ul style="list-style-type: none"> <li>• Establishment of 61 student entrepreneur clubs</li> <li>• Located in the different regions of Quebec, these clubs already have more than 1,000 members</li> </ul>
	★ 230,000 TV viewers made aware of regional economic development issues	<ul style="list-style-type: none"> <li>• Production of three television series reaching more than 500,000 viewers</li> </ul>
	✓ Large-scale events and activities marketed internationally	<ul style="list-style-type: none"> <li>• More than 30 large-scale events or activities were the subject of promotional or marketing activities internationally</li> </ul>
	✓ Opportunities provided for regional and local public to convey to federal ministers their views as to their community's and region's development priorities	<ul style="list-style-type: none"> <li>• Organization and holding of more than 60 ministerial tours in the different regions of Quebec during which the public were able to convey their views as to their community's and region's development priorities</li> </ul>
✓	2.2 Foster economic enhancement of regional development assets	
	✓ Investment of \$1.5 billion by various economic development players in Montreal's international district ( <i>Quartier international de Montréal</i> or QIM) from 2000 to 2004	<ul style="list-style-type: none"> <li>• A recent study of anticipated economic spinoffs from the QIM project estimates that more than \$1 billion in investment, 15,044 new jobs and 4,527 indirect jobs will have been generated by 2003 owing to the project</li> </ul>
	✓ Investment by various players for implementation of projects with strategic impact	<ul style="list-style-type: none"> <li>• Development and implementation of 35 projects with strategic impact in the regions of Quebec</li> </ul>
	✓ Increase in the number of tourists at supported sites	<ul style="list-style-type: none"> <li>• Tourist attractions and major events for which the Agency made contribution expenditures in 2001-2002 drew more than 347,000 foreign tourists to the regions of Quebec</li> </ul>
✓	2.3 Promote development and reinforcement of knowledge-based competitive advantages	
	★ Establishment and expansion of 10 research or technology transfer institutions	<ul style="list-style-type: none"> <li>• Six projects that have received a financial contribution from the Agency are being carried out</li> <li>• Several feasibility studies are also under way</li> </ul>
	✓ 10 nominations for the establishment of research or technology transfer centres	<ul style="list-style-type: none"> <li>• The Agency, through its financial support for the preparation of grant applications, contributes to promoting knowledge institutions vis-à-vis national initiatives in support of innovation</li> </ul>

EXTENT OF ACHIEVEMENT	2001-2004 COMMITMENTS	MAIN RESULTS OBSERVED AS OF MARCH 31, 2002 ASSOCIATED WITH PROJECTS IN PROGRESS
<b>Strategic outcome #3 Facilitate development and renewal of community infrastructure</b>		
✓	3.1 Upgrade drinking water, wastewater and solid waste management infrastructure	
	✓ Upgrading of infrastructure	• Approval of 43 new contributions
✓	3.2- Put in place, upgrade and renovate transportation infrastructure and systems	
	✓ Upgrading of infrastructure	• Approval of 26 new contributions
✓	3.3- Enhance and foster the rehabilitation or construction of assets having an urban or a regional economic impact	
	✓ Putting in place of 21st-Century infrastructure adopting the best technology, new approaches and best practices	• Approval of 7 new contributions



## **APPENDIX V: LIST OF ACRONYMS**

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<b>BDC</b>	Business Development Centre
<b>CEDC</b>	Community Economic Development Corporation
<b>MCEBR</b>	Montreal Centre of Excellence for Brownfields Rehabilitation
<b>NRC</b>	National Research Council of Canada
<b>AMTC</b>	Aerospace Manufacturing Technology Centre
<b>CED</b>	Canada Economic Development for Quebec Regions
<b>FTE</b>	Full-time equivalent
<b>CJF</b>	Canada Jobs Fund
<b>CQF</b>	Special Fund for the Economic Development and Adjustment of Quebec Fishing Communities (Coastal Quebec Fund)
<b>GOL</b>	Government On-line
<b>IDEA-SME</b>	Innovation and productivity, market development and exports, and development of business climate
<b>RSI</b>	Regional Strategic Initiatives
<b>ISO</b>	International Organization for Standardization
<b>CSBFA</b>	Canada Small Business Financing Act
<b>SBLA</b>	Small Business Loans Act
<b>NBP</b>	New Business Practices
<b>IRAP</b>	Industrial Research Assistance Program
<b>CFP</b>	Community Futures Program
<b>PEMD</b>	Program for Export Market Development
<b>GDP</b>	Gross domestic product
<b>SME</b>	Small- and medium-sized enterprises
<b>QIM</b>	Quartier international de Montréal (Montreal's international district)
<b>R&amp;D</b>	Research and development
<b>RPP</b>	Report on Plans and Priorities
<b>CFDC</b>	Community Futures Development Corporation
<b>MDS</b>	Market Development Service



## APPENDIX VI: LIST OF CANADA ECONOMIC DEVELOPMENT REGIONAL OFFICES

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Abitibi-Témiscamingue

(819) 825-5260

1 800 567-6451

Bas-Saint-Laurent

(418) 722-3282

1 800 463-9073

Centre-du-Québec

(819) 478-4664

1 800 567-1418

Côte-Nord

(418) 968-3426

1 800 463-1707

Estrie

(819) 564-5904

1 800 567-6084

Gaspésie —

Îles-de-la-Madeleine

(418) 368-5870

1 866 368-0044

Île-de-Montréal

(514) 283-2500

(514) 496-8310

Laval —

Laurentides-Lanaudière

(450) 973-6844

1 800 430-6844

Mauricie

(819) 371-5182

1 800 567-8637

Montréal

(450) 928-4088

1 800 284-0335

Nord-du-Québec

(514) 496-7609

1 800 561-0633

Outaouais

(819) 994-7442

1 800 561-4353

Québec —

Chaudière-Appalaches

(418) 648-4826

1 800 463-5204

Saguenay — Lac-Saint-Jean

(418) 668-3084

1 800 463-9808

Head Office

(514) 283-6412

(514) 283-3302

Policy and Advocacy

(819) 997-3474

(819) 997-8519



## APPENDIX VII: STATUTES ADMINISTERED AND RESOURCE-PERSON

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Statutes administered
<p><b>The Minister has sole responsibility to Parliament for administering the following statutes:</b></p> <p><i>Department of Industry Act</i> (S.C. 1995, c. 1)</p>
<p><b>The Minister shares responsibility to Parliament for administering the following statutes:</b></p> <p><i>Small Business Loans Act</i> (S.C. 1993, c. 6) <i>Canada Small Business Financing Act</i> (S.C. 1998, c. 36)</p>

Resource-person for further information

**Jean Pierre Lavoie**

Director General

Quality, Information and Technologies

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