



Report on Plans and Priorities 2004-2005

Estimates



Jacques Saada
Minister of the Economic Development Agency
of Canada for the Regions of Quebec

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1 MESSAGES

Message from the Minister

To build the 21st-Century economy that the Canadian people want, we must innovate by building on our regional assets. In my view, Canada Economic Development for Quebec Regions has a significant role to play in providing our country with a strong, dynamic economy, founded on innovation and its great potential for development. An economy that allows our fellow citizens to view the future with confidence and optimism. An economy that enables us to achieve excellence.

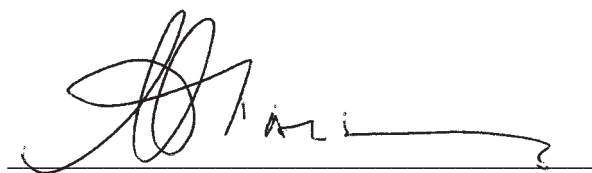
Technological progress is one of the most crucial ingredients in sustained economic growth. By reinforcing our enterprises' productivity and raising Canadians' standard of living, it contributes significantly to Quebec's regional development. In 2004-2007, we will therefore continue to provide our support to Quebec's small- and medium-sized enterprises in the implementation of innovation projects. We will guide them along the path of creativity and ingenuity so they can develop and market new products. In that way, we will be pursuing our objective of helping SMEs diversify their activity and create quality employment for Canadians. We will also be supporting them in their efforts to ensure solid growth.

The Government of Canada also recognizes that social development and economic development are closely linked. Each provides members of a community or region with opportunities to come together to find local solutions to the problems experienced in their communities. The Agency intends to provide its support to the social economy sector in the coming years, in line with the new directions the Government of Canada has set itself in that regard.

In Quebec, as elsewhere in Canada, our communities, large and small, urban and rural, play a vital role in regional development. We want to help create communities where all inhabitants can develop fully and enjoy prosperity. I feel that at Canada Economic Development, we are well equipped to support the attainment of this goal, especially with the Regional Intervention Strategy concept, which allows us to bridge the gap between community-defined needs and the opportunities afforded by the different regions of Quebec.

The fact remains that some regions and communities in Quebec are struggling to adjust to the new economic context. I can see that they are reaping the benefits of the 21st-Century economy to a far lesser degree than others. That is why we shall continue to pay special attention to them in 2004-2007. Canada's growth is made possible by the growth of all its communities, in both rural and urban regions.

In closing, I invite you to read this edition of the *Report on Plans and Priorities*, in which you will be able to learn about the steps we will be taking in Quebec to consolidate the development of all the regions, building on the new economy, innovation and regional assets.

A handwritten signature in dark ink, appearing to read 'J. Saada', is written over a horizontal line.

Jacques Saada
Minister of the Economic Development Agency
of Canada for the Regions of Quebec

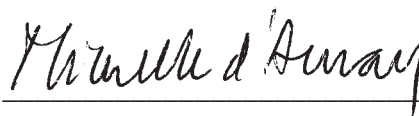
Management representation

I submit, for tabling in Parliament, the *2004-2005 Report on Plans and Priorities* of the Economic Development Agency of Canada for the Regions of Quebec.

The report was prepared in line with the reporting principles and requirements set out in the *2004-2005 Departmental Report on Plans and Priorities Preparation Guide*:

- It accurately portrays the organization's plans and priorities.
- The data it contains on planned spending are in compliance with the guidelines provided in the Minister of Finance's budget and by the Treasury Board Secretariat.
- The document is comprehensive and accurate.
- It is based on sound departmental information and management systems.

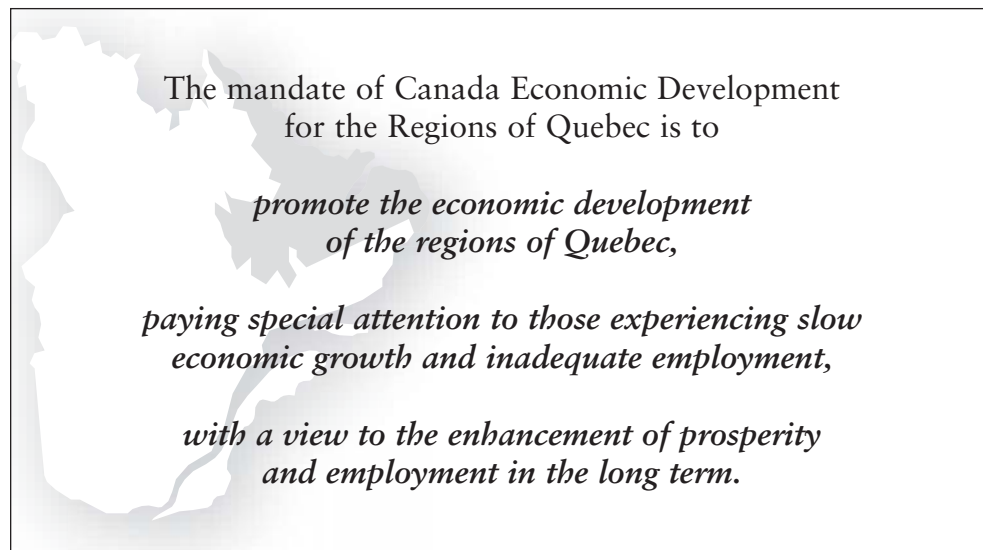
The report structure on which this document is based will be used as the basis for accountability for the results achieved with the resources and authorities provided.



Michelle d'Auray
Deputy Minister

Date: 2004-09-01

2 RATIONALE



In carrying out its mandate, Canada Economic Development helps the Government of Canada fulfil its commitment to promoting equality of opportunity for all Canadians in the pursuit of their well-being, and fostering the economic development of all regions of the country in order to reduce disparities in opportunities, a fundamental value of the Canadian nation enshrined in Section 36 of *The Constitution Act, 1982*.

Under Part II of the *Department of Industry Act* and its attendant legislation, the objectives of the Minister responsible for the Agency with respect to regional economic development in Quebec are to promote economic development in areas where low incomes or slow economic growth are prevalent or where opportunities for productive employment are inadequate; emphasize long-term economic development and sustainable employment and income creation; focus on small- and medium-sized enterprises (SMEs) and the development and enhancement of entrepreneurial talent. The text of the *Department of Industry Act* may be consulted at the following Web address: <http://laws.justice.gc.ca/en/I-9.2/47782.html>.

The Agency targets three strategic outcomes to contribute to the economic development of the regions of Quebec:

- enterprise development
- improvement of the environment for economic development of the regions
- development and renewal of community infrastructure.

The first two outcomes comprise the Agency's core mandate, whereas the third corresponds to a special mandate from the Government of Canada. The diagram presented on page 21 illustrates the Agency's strategic planning framework.

The Agency's action in each region is guided by a Regional Intervention Strategy (RIS) drawn up to make the link between national and region-specific economic priorities, on the basis of each region's potential and niches of excellence.

For further information the Web site of Canada Economic Development is at <http://www.dec-ced.gc.ca>.

3 PLANNING OVERVIEW

3.1 Program delivery

Canada Economic Development elicits, accompanies and supports the implementation of economic development projects. This mandate is pursued through financial assistance programs, complemented by initiatives involving economic facilitation and guidance of the various economic development players. The Agency defines itself as a catalyst in promotion of the economic development of the regions of Quebec. As such, the Agency seeks to enhance synergy among local and regional development players.

Through its action, the Agency encourages the completion of development projects that would not take place without its assistance, would not be carried out on the same scale, or would be put off until later, at the risk of being abandoned completely. To foster the implementation of development projects, the Agency primarily uses financial assistance, in the form of transfer payments, mainly in the shape of repayable and non-repayable contributions. It has to comply with the terms and conditions specific to each of its programs, as approved by Treasury Board. In synergy with financial assistance from the Agency, various initiatives involving economic facilitation and guidance for development players contribute to enterprise development and improvement of the environment for economic development of the regions. These initiatives are carried out by Agency personnel and organizations to which the Agency provides financial assistance to enable them to offer services to enterprises and other local and regional development players. The Agency's contribution programs and the initiatives with respect to economic facilitation and services delivered with its assistance are described in section 8.1.2.

Canada Economic Development has a significant presence in each Quebec region through its 14 business offices.

This presence is securely anchored within communities, and enables the Government of Canada to stay well informed of the evolving challenges of Quebec SMEs and regional issues, to be an integral part of the different forums and events marking the economic development of each region, to hear and understand communities' concerns, and to help communities mobilize to meet their development challenges.

The Agency teams up with a broad network of development agents in each region of Quebec. Often the Agency's action on development is carried out through intermediary groups that the Agency helps to finance. By funding these organizations and facilitating their networking, the Agency moves closer to citizens and the different regional realities, and offers local economic agents the opportunity of contributing to the development of their economy.



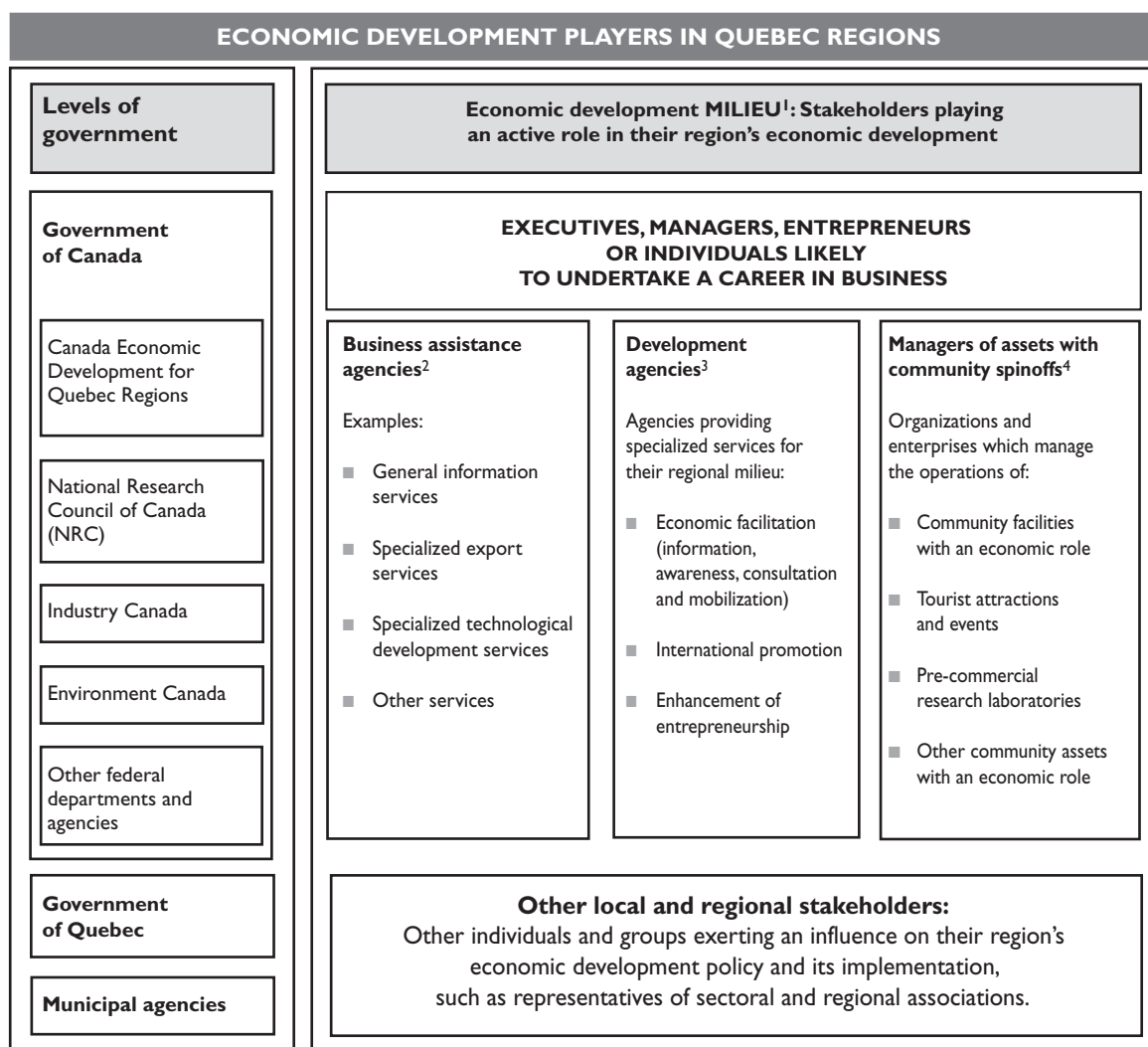
Abitibi-Témiscamingue
Marc Lemieux
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As the table on the following page shows, the Agency carries out its mandate in a complex environment comprising a variety of players, of which it indeed is an integral part. In fact, the Agency works with more than 100 local organizations, many of which have the mandate to offer specialized services to regional enterprises. Many organizations are volunteer-based and represent the way in which Canadians can play a major role in the economic development of their own communities. For instance, the Community Futures Development Corporations (CFDCs), Business Development Centres (BDCs) and Community Economic Development Corporations (CEDCs) can count on the involvement of more than 1,400 volunteers who together devote several tens of thousands of hours' work to their communities' development.

Many other examples of co-operation should be emphasized. The Agency works closely with the *Alliance numériQC*, Enviro-Access, and *BioQuébec* to promote innovation in enterprises. The Agency also works with World Trade Centre Montreal and a network of regional export-assistance organizations to contribute to the attainment of national objectives for development of international markets. The *Manufacturiers et exportateurs du Québec*, various trade associations and the boards of trade and chambers of commerce are just some of those working with the Agency.

The Agency works dynamically and in close co-operation with several Government of Canada departments and agencies to foster implementation of common objectives, using a complementary approach that builds on each organization's specific expertise. Close co-operation has been instituted through such co-ordination mechanisms as Team Canada or the Canadian Technology Network (CTN). The Agency also works with the National Research Council Canada (NRC), Canadian Heritage, Parks Canada, Environment Canada, Transport Canada, Fisheries and Oceans Canada, Natural Resources Canada (including the Canadian Forest Service), Human Resources and Skills Development Canada (HRSDC), the Business Development Bank of Canada and several others.

In the case of programs corresponding to its core mandate, the Agency co-operates on a case-by-case basis, without any formal framework, with several Quebec government departments and agencies to foster implementation of development projects when they correspond to the priorities of the Government of Canada, the Agency and the local economic milieu. In this context, some projects supported by the Agency are also backed by the Government of Quebec, or by other Government of Canada departments and agencies, or by municipal authorities, which participate in establishing financial packages. In the case of the Infrastructure Canada Program, a formal co-operation agreement was signed with the Government of Quebec.



Notes:

- 1 **Milieu** means all players taking an active role in their region's economic development.
- 2 Business assistance agencies specialize in one of the following areas: development of external markets, innovation, incubation of startup enterprises, or financial services to small enterprises. Most of these organizations have a regional operating base. Among the services they provide are dissemination of information, raising of awareness and assistance with development of knowhow.
- 3 Regional agencies providing services to the **milieu** (development agencies) include organizations providing information, awareness, skills development, mobilization and consultation of their local **milieu** as well as international promotion organizations and organizations or groups carrying out activities to enhance entrepreneurship.
- 4 **Assets with community spinoffs** means tourist attractions and events, and community facilities with an economic role.

3.2 Quebec's regions and the challenges of the 21st-Century economy



Bas-Saint-Laurent
Michel Laverdière

The Agency's plans and priorities are influenced by the context in which Quebec's regions and enterprises operate and the challenges the new 21st-Century economy places in front of them.

The Quebec economy has improved its performance over the past few years. Stimulated by robust residential construction, consumer spending and investment in public infrastructure, Quebec's annual average gross domestic product (GDP) growth rate was 4% from 1998 to 2002, higher than the 3.7% national average. Employment in Quebec rose by 1.7% in 2003, while the unemployment rate, which had held above 10% throughout the 1980s and 1990s, fell to 9.1%. But the Quebec economy continues to lag behind Canada's. The jobless rate remains higher than the national average (7.6%), and disposable income per inhabitant still post a gap compared with the Canadian average (\$20,660 compared with \$22,270 in 2002). Whereas the Quebec population represents 24% of the population of Canada, its GDP represents only 21% of Canadian GDP.

The population of Quebec (7.2 million) is growing much more slowly than Canada's (1.4% compared with 4% from 1996 to 2001). The fertility rate of 1.44 children per woman, among the lowest of any Organisation for Economic Co-operation and Development (OECD) countries, is insufficient to ensure population growth in the medium and long term. Quebec receives a low proportion of immigrants to Canada (15% compared with 60% in Ontario in 2001). In terms of interprovincial migration, Quebec has since 1972 posted a net loss of residents to other provinces. This low population growth affects the dynamism of the economy by pushing down domestic demand for goods and services. It also has an impact on the climate for investment and enterprise creation, reducing job opportunities accordingly.

Failing sustained demographic growth, a sound performance on external markets becomes essential for maintaining the economic growth of Quebec and its regions. The Quebec economy is very open to the world. Growth in Quebec's external trade has surpassed Canada's and Ontario's over the past decade, while the proportion of international exports in Quebec's GDP rose from 18% in 1992 to close to 33% in 2000.

Of Quebec's exports, 85% are headed for the United States, a proportion that has been rising since 1992 (75%). Quebec's trade surplus with the United States went from \$7 billion in 1991 to more than \$40 billion in 2000. But 2001 and 2002 saw a decline, with exports to the United States falling by 5.4% and 4.8% respectively following the slowdown in the U.S. economy.

The composition of Quebec's exports has seen a major switch to higher value-added products. Minerals and wood-based products, which accounted for 23% of exports in 1992, no longer represented more than 17% in 2001, while transportation equipment was the main export product (20%). In 2000, more than 32% of Quebec's exports were associated with products manufactured using high technology (compared with 14% for Canada as a whole).

In a global economy, innovation through creation, dissemination and application of knowledge becomes essential for maintaining enterprises' competitiveness.

Quebec has for many years posted the best performance among Canadian provinces in terms of research and development (R&D) effort, an essential element in innovation support. The percentage of its GDP devoted to R&D in 1999 (2.42%) far exceeds the Canadian average (1.83%) and equals the average among G7 countries. A substantial proportion of private sector research in Quebec is entrusted to institutions of higher education (more than \$180 million in 1999-2000), proof positive of the importance of university-enterprise links. Private funding of university research has more than doubled over the past decade. The challenge is to ensure that the potential results of this university research translate into adequate scientific and commercial value (including technology transfer) to enable Quebec enterprises to innovate further.

More R&D and innovations to enhance production processes and produce at better cost translate into productivity gains and enterprises that are better equipped to compete. Quebec has made substantial progress on the labour productivity front, but still lags behind Canada as a whole (a 5% gap in 2001 across all sectors). This lag is attributable in particular to the strong representation of SMEs in Quebec's manufacturing structure, as SMEs tend to be less productive than large corporations. Also, Quebec SMEs are more heavily concentrated in traditional industries that, generally speaking, are less productive, such as food and beverages, rubber and plastics, textiles-leather-clothing, wood, furniture and paper.

To date, Quebec SMEs have primarily limited themselves to innovating on the technological front to enhance their productivity. Faced with an increasingly complex business environment, they will have to innovate further with respect to business processes associated with management, hiring, training and human resources management, and to acquisition and mastery of strategic, technological or commercial intelligence.

SMEs are a significant component of the Quebec economy, providing it with 43% of all jobs and contributing some 29% of manufacturing added value. While Quebec is recognized for its proportion of SMEs, the enterprise creation rate flagged over the past decade, falling to only 30,000 startups a year, well below the 40,000 posted in the 1980s. Moreover, a high percentage of startup enterprises in Quebec are in the primary sector, (26%, as against 12% in Canada as a whole), while only 13% operate in the tertiary sector, where growth is generally stronger (28% in Canada as a whole).

The large census metropolitan areas (CMAs) of Montreal, Québec City and Gatineau (part of the Ottawa-Gatineau CMA) together account for more than 60% of the population of Quebec, and most of the province's demographic growth is concentrated there.

The Montreal metropolitan area (pop. 3.4 million) is home to 47% of Quebec's population and contributes more than 50% of the province's GDP. Montreal has developed substantial competitive advantages in several fields associated with knowledge and creation, including aerospace, telecommunications and new information technology, health sciences and biotechnology and entertainment (film production/distribution, radio/TV broadcasting, performances, plays and musical events). With more than 2,000 institutions active in R&D, numerous research centres and four universities, Montreal is the principal centre for R&D in Quebec. It receives a large share of foreign tourists' spending in Quebec. A good number of SMEs in the region operate in the textile-clothing, food and beverage and printing industries, which still provide more than one-third of manufacturing employment.

Despite the economic recovery of the past few years, Montreal still lags behind the 25 other main large cities in North America for a series of indicators such as GDP per inhabitant, employment rate and disposable income per inhabitant. Its jobless rate in 2003 (9.5%) is higher than Toronto (7.7%) and Vancouver (7.3%), and its demographic growth lower (3% from 1996 to 2001, as against 9.8% in Toronto and 8.5% in Vancouver). Several boroughs in the core of the urban area, which are struggling with problems of decline and marginalization, post an incidence of low income in excess of 40% (20% for Canada as a whole).

The Montreal area enjoys many assets for taking greater advantage of the opportunities afforded by market globalization and development of the new economy. Its competitive edge lies largely in its ability to mobilize creative human resources in order to innovate, create new products and services, support the development generated by new technology and put in place networks that combine knowledge and technology. Its economic performance is also linked to increased productivity in its traditional industries and development and renewal of its community infrastructure.

Public administration is the main employer in the Québec City (pop. 683,000) and Gatineau (pop. 258,000) metropolitan areas, which generally post among the highest employment and income levels in the province. For several years now, development efforts have focussed on economic diversification, and these regions now boast a growing pool of enterprises and institutions operating in knowledge-intensive sectors, such as optics-photonics, new information technology and the biomedical field. These areas can also build on their status as internationally known tourism destinations.



Centre-du-Québec
Jacques Dorion
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Located within a radius of about 150 kilometres from the major metropolitan areas, the intermediate central regions boast a dynamic manufacturing sector based on medium- or low-technological intensity industries. Enhancing SMEs' productivity is key to maintaining the economic vitality of such areas as Drummondville, Victoriaville and the Beauce. The Sherbrooke and Trois-Rivières metropolitan areas, for their part, increasingly owe their economic dynamism to the presence of their universities and research centres.

The economies of the regions remote from major centres (Gaspésie—Îles-de-la-Madeleine, Bas-Saint-Laurent, Abitibi-Témiscamingue, Saguenay—Lac-St-Jean, Côte-Nord and Nord-du-Québec) are based primarily on the harvesting of natural resources: forestry and wood products, mining and aluminum smelters, fishing and processing of fish products, electricity generation and transmission, etc. Many communities depend on one main employer or a dominant sector. These regions have to contend with a declining population (-4% from 1996 to 2001) as their young people leave, and the loss of resource sector jobs owing in particular to productivity gains, technological progress, stronger international competition and reduction in the resource. These remote regions experience difficulty adapting to the new globalized economy that is increasingly knowledge-based, and all post higher unemployment rates and lower income levels than the Quebec average. They are faced with major economic development challenges in view of the distance to their markets, variable access to major transportation and communication networks and the difficulty of hiring an educated labour force.

One of the main challenges for remote regions is to develop activities with higher added value, particularly in the natural resource sectors, building on their university and research centres, which are their gateway to the knowledge economy. In the Saguenay metropolitan area and the communities of Rimouski and Rouyn-Noranda, for instance, the specialized expertise of such centres, notably in aluminum processing, the boreal forest, marine sciences or mining, enable them to invest their knowledge in niches of excellence that are strategic for development.

In recent years, the social economy has been booming in Quebec. It is enhanced by more than 7,150 enterprises – co-operatives and non-profit organizations – which employ 124,000 people and generate \$17.2 billion in revenue. These enterprises contribute to reinforcing the social and economic fabric of both urban and rural communities through local services, initiatives to enhance local resources and enterprises enabling marginalized population groups to enter the labour market. Usually stemming from joint action and mobilization of several partners, and well rooted in their communities, social economy enterprises are often well placed to identify new needs in

communities and respond to them in a concerted manner. But social economy enterprises have only limited access to conventional financial capital, and that restricts this sector's development. Moreover, some of these enterprises have difficulty planning and managing their activities.

This section contains data from *The Economy of Quebec and Its Regions: Analysis of Trends 2003*: www.dec-ced.gc.ca/Complements/Publications/Observatoire-EN/ADT_2003_eng.pdf).

4 PRIORITIES AND CURRENT ACTIVITIES

The box on page 17 defines the terms **priorities** and **current activities** as used in this report.

4.1 Priorities

4.1.1 Summary of priorities

PRIORITIES TARGETING THE ECONOMIC DEVELOPMENT OF THE REGIONS OF QUEBEC

Activities subject to special attention
from the Agency and intensified intervention

I- INNOVATION — KNOWLEDGE ECONOMY

Like last year, the Agency continues to devote special effort to promoting innovation — knowledge economy in each region of Quebec (previous priority). This priority accounts for more than half of the contribution expenditures of the Agency's two main programs under its core mandate: the Innovation, development entrepreneurship and access program (IDEA) for SMEs and the Regional Strategic Initiatives (RSI) program.

Under Strategic outcome #1- *Enterprise development*, this priority involves continuing, until March 31, 2005

- to intensify intervention for the development, perfection, trial and experimentation of new or improved products or processes
- commercialization of innovation
- startup and expansion of enterprises in innovative niches or new economy-related niches
- improvement of productivity.

(See Section 5.1.1)

Under Strategic outcome #2- *Improvement of the environment for economic development of the regions*, this priority involves continuing

- intensified intervention for the reinforcement of knowledge-based competitive advantages
- economic enhancement of the products of research.

This priority is in line with the commitments made by the Agency with respect to the use of budgets transferred from the Canada Jobs Fund (CJF).

(See Section 5.1.1)

PRIORITIES TARGETING THE ECONOMIC DEVELOPMENT OF THE REGIONS OF QUEBEC

Activities subject to special attention
from the Agency and intensified intervention

2- COMMUNITIES EXPERIENCING ADJUSTMENT DIFFICULTIES

This priority primarily affects all those Quebec regions and communities that are far from major urban centres. The adjustment of communities in difficulty was one of the Agency's major concerns reported in the 2003-2004 Report on Plans and Priorities (previous priority).

Under the Strategic outcomes *Enterprise development* and *Improvement of the environment for economic development of the regions*, this priority involves paying special attention to regions where growth is slow and employment opportunities are inadequate by devoting to it approximately one-third of the Agency's contribution expenditures with respect to its core mandate. This priority affects each of the activities under the Agency's core mandate, including those in the field of innovation and the knowledge economy.

This priority also translates into the application of two special initiatives: the continuation, until August 22, 2005, of the Canadian Support Program for the Economy of Gaspésie—Îles-de-la-Madeleine (previous initiative), and the continuation, until March 31, 2005, of the Adjustment Measures for Quebec Fishing Communities (a new initiative under the RSI program). These initiatives are aimed at re-energizing and diversifying the economy of those communities experiencing major adjustment difficulties, building in particular on promotion of local entrepreneurship and job creation.

4.1.2 Rationale for choice of priorities

The Government of Canada's vision and objectives for economic development constitute the Agency's target.

The challenge for Canada Economic Development is to contribute to their achievement in such a way as to enable each region of Quebec to participate to its full potential by adapting the Agency's development approach to the situation specific to it. In that perspective, the Agency has established its priorities so as to follow through on the Government of Canada's desire to reinforce the action of the regional development agencies in order to build a 21st-Century economy. This economy will be built on innovation, in which Canada will assert itself over the next decade as a world leader in developing and applying path-breaking technologies, such as biotechnology, environmental technology, information and communications technologies, health technologies and nanotechnology. Each region of Quebec will be able to reap benefits, building on indigenous strength.

These two objectives correspond to the Agency's key priorities: Innovation — Knowledge economy and Communities experiencing adjustment difficulties. At the same time, these priorities concern the two strategic results under the Agency's core mandate: *Enterprise development* and *Improvement of the environment for economic development of the regions*.

Definitions...

- **Priorities** identify the most important fields on which the Agency has chosen to focus for 2004-2005 — 2006-2007.

In concrete terms, the term **priority** means the Agency will continue to devote to priority fields a high percentage of the contribution budget associated with its core mandate. In the context of a marked decrease in the Agency's financial means (table on p. 63: Planned spending), the *amount* of its expenditures in priorities fields has to decrease, but in a lower proportion than the current activities expenditures relating to its core mandate. **Previous priority** means this priority was identified in the previous Report on Plans and Priorities.

- Current activities are Agency activities not related to its two key priorities. While they are important for the economic development of the regions of Quebec, **current activities** are thus not subject to an intensification of Agency intervention.

In concrete terms, **current activities** means the *percentage* of the Agency's contribution budget devoted to all areas of **current activities** related to its core mandate has to decrease, as does the *amount* of the expenditures, more substantially than the total budget for its core mandate.

- **Priorities and current activities** cover areas of activity aimed at economic development of the regions of Quebec, the ultimate outcome targeted by the Agency. Management initiatives are dealt with in Section 6.

On the sustainable development front, the Government invites Canadians to demonstrate leadership in green technologies, thus stimulating innovation and new market opportunities. Agency intervention in the economic development of the regions of Quebec is in line with this perspective, as may be seen from its *Sustainable Development Strategy - Action Plan 2003-2006*, or SDS (see page 58).

Innovation — Knowledge economy

For Quebec SMEs, the Agency is the main organization within the Government of Canada to support commercial enhancement of innovation.

To contribute to building the 21st-Century economy founded on innovation, the Agency provides Quebec SMEs, in an integrated manner, with a continuum of support necessary for innovation, from access to financing for the startup of innovative enterprises to the commercialization of innovative products, via the adoption of new technology and more productive equipment. The Agency thus aims to respond to one of the Government of Canada's main concerns with respect to innovation and SMEs, in close co-operation, region by region, with the network of technological advisors of the National Research Council Canada (NRC), expanding upon its Industrial Research Assistance Program (IRAP). *Canada's Innovation Strategy* has set Canadian enterprises the objective of ranking among the world's best in terms of the share of private-sector sales attributable to innovations.

The Agency will continue to contribute to achieving the Government of Canada's goal of placing increased emphasis on opportunities to add greater value to natural resources through application of advanced technology and know-how.

Promotion of innovation and development of the knowledge economy have become the Agency's main intervention over the past few years. For instance, the *Performance Report for the period ending March 31, 2003* showed, on page 26, that projects belonging to the Innovation — Knowledge economy field accounted for 69% of the financial assistance approved in 2002-2003 under the two main programs associated with the Agency's core mandate (including transfers to the National Research Council Canada). The performance report may be consulted at http://www.dec-ced.gc.ca/Complements/Publications/RMR2003/index_en.html.

The impact of Agency intervention for promotion of innovation is felt primarily in cities, in both Quebec's main metropolitan areas and urban centres in outlying regions. Agency initiatives aimed at the economic enhancement of research particularly help the main Quebec university towns become more solidly anchored in the knowledge economy in the network of large North American cities.

An assessment of the Agency's intervention in the Innovation — Knowledge economy field is currently under way. The evaluation framework was designed to enable the Agency to draw lessons from the implementation of its intervention, the timeliness of the approach advocated and the results on enterprises' competitiveness in order to inform it concerning planning of its future intervention.



Côte-Nord
Gilles Beauchamp
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Communities experiencing adjustment difficulties

The Agency pays special attention to regions and communities experiencing adjustment difficulties. These regions reap the benefits of the 21st-Century economy far less than others do. They post the highest jobless rates in Quebec and, in some communities, among the highest unemployment rates in Canada. Some of them are shaken by crises (such as plant closings or the increased scarcity of natural resources) which jeopardize their economic viability. The Agency's rationale and mandate tell it to pay special attention to those regions where opportunities for productive employment are inadequate. For these reasons, the Agency plans to devote approximately one-third of the budget under its core mandate to fostering the implementation of projects in the resource regions; these regions account for some 12 percent of the province's population.

Alternative considered

By choosing Innovation — Knowledge economy and Communities experiencing adjustment difficulties as priorities, the Agency has deliberately opted for a balanced approach between, on the one hand, the pursuit of development opportunities based on knowledge and new technology and, on the other hand, in the spirit of its mandate, support for the economic vitality of regions with high unemployment. An approach focussing exclusively on technological development and SMEs would have concentrated most of its impact on major urban centres, an option the Agency did not wish to choose in view of its statutory mandate.

4.1.3 Priority changes from last year

In the wake of the 2002-2003 and 2003-2004 Reports on Plans and Priorities, the Agency continues to devote intense effort to promoting innovation and the knowledge economy, as well as the economic adjustment of regions in difficulty.

In the *2003-2004 Report on Plans and Priorities*, the Agency pointed out that it would be paying special attention to the implementation in Quebec of two new national initiatives, the Canadian Textile and Apparel Industries Program (CATIP), and the Softwood Industry and Community Economic Adjustment Initiative contribution program. This special attention, initially required to start up these two programs promptly, is now no longer necessary. The administration of the former, scheduled to terminate on March 31, 2006, is now part of the Agency's current activities, while the latter terminates at the end of March 2005.

4.2 Current activities

4.2.1 Summary of current activities

CURRENT ACTIVITIES TARGETING ECONOMIC DEVELOPMENT OF THE REGIONS OF QUEBEC

STRATEGIC OUTCOME #1 - ENTERPRISE DEVELOPMENT

- Enhance enterprises' access to information likely to inform their business decisions.
- Promote the establishment of enterprises that play a strategic role in niches of excellence specific to each region.
- Foster commercialization on new markets and export development.
- Foster development of small enterprises of local and regional reach.

(See section 5.1.1)

STRATEGIC OUTCOME #2 - IMPROVEMENT OF THE ENVIRONMENT FOR ECONOMIC DEVELOPMENT OF THE REGIONS

- Promote local and regional economic agents' capability to elicit the emergence of projects likely to reinforce their region's distinctive competitive advantages.
- Foster the implementation of projects aimed at creating or reinforcing assets likely to generate a strategic impact and have ripple effects on a region's economy.

(See section 5.1.1)

STRATEGIC OUTCOME #3 - DEVELOPMENT AND RENEWAL OF COMMUNITY INFRASTRUCTURE

- Foster upgrading of drinking water and wastewater infrastructure.
- Foster improvement of local transportation infrastructure.
- Promote the completion of projects with urban or regional economic impact.

(See section 5.1.2)

4.2.2 Rationale for maintaining current activities

Many of the Agency's current activities involve implementing in Quebec such national programs and initiatives as the Infrastructure Canada Program, the Community Futures Program (CFP), and Canada Business Service Centres (CBSCs).

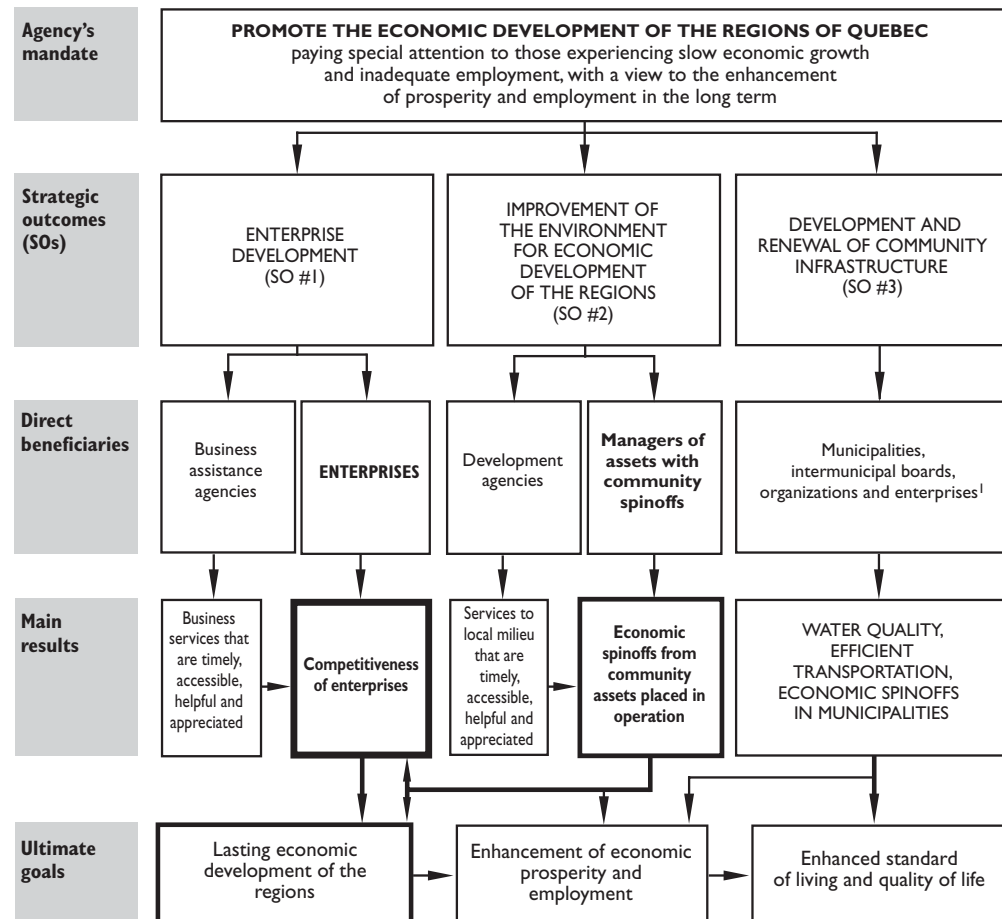
Other current activities make up the Agency's contribution to the achievement of national objectives, such as that of reinforcing the capability to broaden markets and supporting small enterprises so they can develop their market access.

5 STRATEGIC OUTCOMES AND PLANNED PERFORMANCE

This section presents each of the Agency's strategic outcomes and their components, linking them with the priorities set out in the previous section; it also gives examples of performance targets, and specifies the factors that could influence them.

The Agency targets three strategic outcomes to contribute to the economic development of the regions of Quebec. The first two outcomes form its core mandate, while the third strategic outcome corresponds to a special mandate from the Government of Canada. The table below illustrates the Agency's strategic planning framework.

Mandate, strategic outcomes and ultimate goals



Note:

- For the third strategic outcome, municipalities, intermunicipal boards, non-profit organizations and enterprises receive Agency funding through the Government of Quebec within the framework of the Infrastructure Canada Program.

Definitions...	<ul style="list-style-type: none"> ■ Core mandate refers to all Agency activities targeting economic development of the regions. It includes all the Agency's programs except the Infrastructure Canada Program, whose implementation constitutes a special mandate with a separate budget. 	<ul style="list-style-type: none"> ■ Planned results are tangible results to which the Agency will have contributed through its intervention during 2004-2005 — 2006-2007.
	<ul style="list-style-type: none"> ■ Strategic outcomes are lasting, long-term benefits for Canadians stemming from the Agency's vision and activities in Quebec. 	<ul style="list-style-type: none"> ■ Plans identify planned results and their timetables (milestones) present how the Agency will set about achieving them, and explain the logic underlying the chosen approach.

5.1 Plans and planned results by strategic outcome

5.1.1 Strategic outcomes under the Agency's core mandate

The Agency's core mandate is carried out through two strategic outcomes:

- enterprise development
- improvement of the environment for economic development of the regions.

The Agency's key priorities, Innovation — Knowledge economy and Communities experiencing adjustment difficulties, are achieved in both these strategic outcomes at the same time.

Of these two strategic outcomes, *Enterprise development* remains the most important in terms of allocation of financial resources. The Agency anticipates that expenditures for *Enterprise development* and *Improvement of the environment for economic development of the regions* will be split approximately 55/45 over the next three fiscal years as a whole.

This ratio is slightly different from that (60/40) announced in the 2003-2004 *Report on Plans and Priorities*: <http://www.dec-ced.gc.ca/Complements/Publications/PublicationAgence-EN/RPP-ENG3.PDF?action=click&pid=PDF&uid=SiteWeb>. This rebalancing in favour of *Improvement of the environment for economic development of the regions* is attributable to the fact that the contributions associated with certain major projects under *Enterprise development* end in 2004-2005.

Enterprise development (Strategic outcome #1)

MAIN PLANNED RESULTS for the two key priorities	
Innovation — Knowledge economy	
<ul style="list-style-type: none"> ■ startup of technological enterprises ■ establishment, modernization and expansion of enterprises in innovative or new economy-related niches ■ adoption of advanced business practices ■ acquisition of new technology and more productive equipment ■ innovative products and services ready to be commercialized ■ development of higher-performance production processes ■ increased sales of innovative products. 	
Communities experiencing adjustment difficulties	
<ul style="list-style-type: none"> ■ planned results listed above (Innovation — Knowledge economy) ■ development of small enterprises of local and regional scope ■ establishment or expansion of enterprises which play a strategic role in their region. 	

Enterprises are the main driving force behind economic development and wealth creation, so the economic development of the regions involves the growth of enterprises.

The growth of enterprises which innovate and export has a particularly stimulating effect on economic development and sustainable increases in employment.

To maintain their competitiveness and prosper in a context of economic globalization and accelerating technological progress, enterprises are well-advised to identify strategic information effectively and incorporate it in their decision-making. They have to show themselves capable of great flexibility, and innovate rapidly and constantly in line with ever-shorter product development and commercialization cycles. It is also worth their while adopting advanced technology, innovative production processes, new methods of organization and new business management processes, such as strategic alliances, subcontracting and e-business, etc. To sustain their growth, enterprises have to be able to count on quality human resources, too.



Estrie
Marcel Labonté
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Moreover, small enterprises of local and regional scope are an essential element in maintaining the economic vitality of rural communities and regions far from major urban centres. For the most part, small enterprises begin by serving the markets in their region; eventually, some of them will then make a name for themselves on the national and international economic stage.

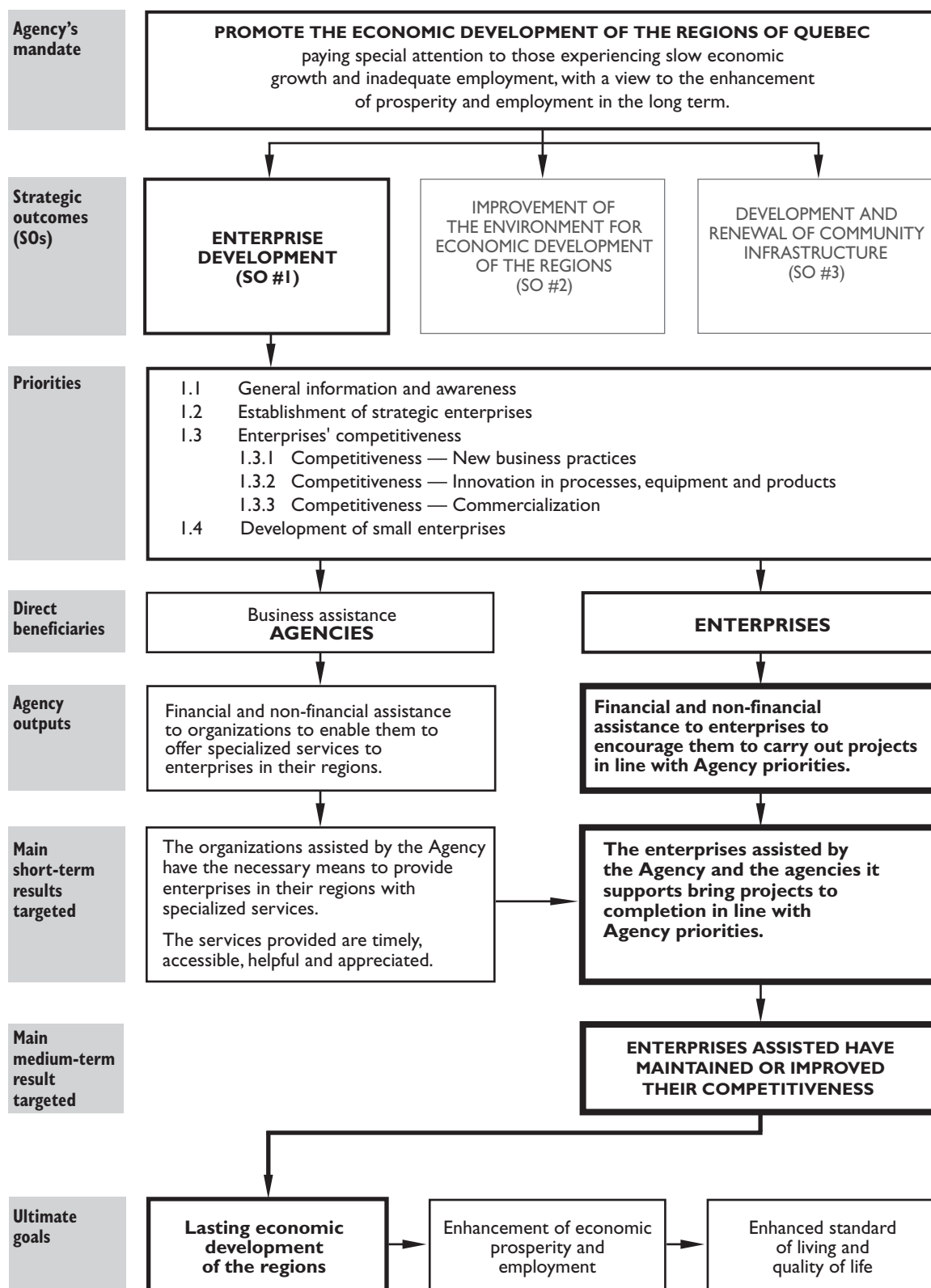
Canada Economic Development contributes to the development of enterprises by helping them carry out projects that match the strategic outcome components presented in the table on the following page (these components are described later in this section). To do so, the Agency primarily uses financial assistance, as an incentive, when it has solid grounds to believe these projects would not be carried out without such assistance or would not be carried out on the same scale or within the same timeframe.

The Agency also contributes to the financing of organizations which provide enterprises with specialized services that fit in with its priorities. The Agency's financial assistance programs are described in greater detail in Section 8.1.2.

For Canada Economic Development, the outcome of developing enterprises should be more dynamic, more competitive enterprises, capable of creating more prosperity and employment in their home regions. In the context of market globalization, the Agency considers that export growth contributes particularly strongly to increasing the prosperity of a region's residents and their employment income. In terms of results, the Agency is consequently specially interested in increases in enterprises' sales and exports.

The contribution expenditures the Agency expects to make in support of enterprise development will reach some \$290 million for 2004-2005 — 2006-2007; this budget will be allocated among the six strategic outcome components presented below paying special attention to components related to innovation and to the knowledge economy. This amount illustrates the relative importance placed on this strategic outcome and should be seen as an approximation. These projected three-year expenditures represent a 25-per cent decrease from the \$385 million specified in the 2003-2004 *Report on Plans and Priorities*. This drop is largely explained by the scheduled termination, on March 31, 2005, of the transfer of the balance from the Canada Jobs Fund. It is also attributable to the fact that the Agency plans to have terminated payment, during FY 2004-2005, of the costs associated with a major project under *Enterprise development*.

Logic model for Strategic Outcome #1



Planned results, plans and priorities, by component of Strategic outcome #1

Component 1.1 General information and awareness

<p>MAIN SHORT-TERM PLANNED RESULT IN ENTERPRISES</p> <ul style="list-style-type: none"> ■ information obtained taken into consideration in business decisions, projects, strategies and plans of enterprises which have made information requests.
<p>MILESTONES</p> <p>Planned results should generally be visible within six months following receipt of the information by the enterprise which benefited from it.</p>
<p>FOLLOW-UP</p> <p>The Agency will know that its assistance contributes to producing the planned results if the surveys of business people who have used these services reveal that they are satisfied with them, that the information received was helpful to them, and whether they consider their business decisions to have been more informed and more productive as a result of this information.</p> <p>In addition, an evaluation of the Canada Business Service Centres is scheduled for FY 2004-2005. In particular, it will provide information on the relevance of the business intelligence passed on by the CBSCs and on its use by enterprises in their decision-making.</p>
<p>STATUS</p> <p>Current activity</p>
<p>The logic model of General information and awareness may be consulted on page 41 of the <i>Performance Report for the period ending March 31, 2003</i> (www.dec-ced.gc.ca/Complements/Publications/RMR2003/en/3.html#anchor21).</p>

The Agency's plan targets:

- improvement of enterprises' access to general information likely to inform their business decisions
- raising business executives' awareness of the main issues affecting development.

To implement this plan, the Agency contributes, from its operating budget, to the management and implementation in Quebec of the Canada Business Service Centres national initiative. The Agency funds the *Info entreprises* and *Ressources Entreprises* centres, which provide entrepreneurs, without charge, with integrated information on government programs and services. These centres deliver business intelligence research services to business people, as well.

The Agency also provides financial assistance for organizations so they can disseminate documents to raise awareness, or organize conferences, seminars or short workshops on general issues concerning enterprise development, in order to awaken business people's interest in those questions and elicit reflection leading to action, where necessary.

Example of target as to planned results (2004-2005 — 2006-2007)

- Approximately 80% of the information conveyed in response to 1-1.5 million expected information requests will have been deemed helpful by the enterprises benefiting from it, and will have been used to inform their business decisions.

Component 1.2 Establishment of strategic enterprises

MAIN MEDIUM-TERM PLANNED RESULTS IN ENTERPRISES <ul style="list-style-type: none"> ■ startup and expansion of small enterprises in high-technology sectors ■ establishment, modernization and expansion of strategic enterprises, notably in new-economy fields. 			
MILESTONES <p>Depending on the complexity and scale of each project, planned results should generally be visible between one and three years following receipt of assistance by the enterprise whose project was supported.</p>			
FOLLOW-UP <p>The Agency will know that its intervention contributes to producing the planned results if the evaluations, surveys and analyses provided for in its performance measurement strategy show that enterprises were created, that they expanded or that they played a strategic role in their region's economic development.</p>			
STATUS <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> Priorities: <ul style="list-style-type: none"> ■ innovative projects associated with the knowledge economy in all regions of Quebec ■ in communities experiencing adjustment difficulties, also include projects with strategic impact in niches of excellence specific to each of them. </td><td style="vertical-align: top; width: 50%;"> Current activities: <ul style="list-style-type: none"> ■ all other projects to establish strategic enterprises. </td></tr> </table>		Priorities: <ul style="list-style-type: none"> ■ innovative projects associated with the knowledge economy in all regions of Quebec ■ in communities experiencing adjustment difficulties, also include projects with strategic impact in niches of excellence specific to each of them. 	Current activities: <ul style="list-style-type: none"> ■ all other projects to establish strategic enterprises.
Priorities: <ul style="list-style-type: none"> ■ innovative projects associated with the knowledge economy in all regions of Quebec ■ in communities experiencing adjustment difficulties, also include projects with strategic impact in niches of excellence specific to each of them. 	Current activities: <ul style="list-style-type: none"> ■ all other projects to establish strategic enterprises. 		
<p>The logic model for Establishment of strategic enterprises may be consulted on page 45 of the <i>Performance Report for the period ending March 31, 2003</i> (www.dec-ced.gc.ca/Complements/Publications/RMR2003/en/3.html#anchor22).</p>			



Gaspésie—Île-de-la-Madeleine
 Marc Blanchette
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For the establishment of strategic enterprises, the Agency's plan concerns:

- pre-startup, startup, launch of business operations of newly established enterprises and their first expansion phases (primarily technological enterprises in incubators)
- construction, expansion or modernization of means of production (plants, workshops, etc.) by enterprises which play a strategic role in their region's development.

The Agency rarely grants contributions to enterprises larger than an SME, and this exceptional support is intended to grasp a particularly strategic development opportunity, generally in a community experiencing adjustment difficulties or where alternatives as to development opportunities are few and far between.

The establishment of strategic enterprises targets the development and consolidation of a critical mass of economic activity in niches of excellence specific to each region. By seeking to create critical mass, the Agency wishes to develop sufficient business volume in the regions to generate ripple effects in a promising area of economic activity for which the region enjoys competitive advantages.

The reinforcement of regional niches of excellence is indeed one of the foundations of the Regional Intervention Strategies (RISs). In each region of Quebec, the Agency's action is guided by a RIS drawn up so as to provide the link between national and region-specific economic priorities, in line with its potential and its niches of excellence. The niches of excellence on which the Agency intends to build have been carefully identified with local economic agents. Contributing in this way to the attainment of major national objectives, the Agency notably fosters the establishment of innovative or new economy-related enterprises in the fields of health science, biotechnology, new information and communications technology, environmental technology, and optics-photonics, to name just a few. In some regions of Quebec, the Agency's RISs target the development of value-added industries in the resources sector and agriculture, one of the Government of Canada's objectives (for instance, marine sciences industry, secondary and tertiary aluminum and forest product processing, and the bio-food industry).

Examples of targets as to planned results (2004-2005 — 2006-2007)

- Three new incubators will have been set up to guide young technological enterprises in their pre-startup and startup.
- Some 350 enterprises deemed strategic will have been created or will have expanded in the different regions of Quebec.

The reinforcement of niches of excellence also involves the enhancement of their development environment, notably through reinforcement of knowledge-based competitive advantages; this other aspect of the Agency's strategy will be examined later in this report, in the part covering Strategic outcome #2, *Improvement of the environment for economic development of the regions*.

Component 1.3.1 Competitiveness — New business practices**MAIN PLANNED RESULTS, IN THE SHORT AND MEDIUM TERM, IN ENTERPRISES**

- adoption of advanced business practices
- improvement of enterprises' competitiveness.

MILESTONES

Depending on the complexity and scale of each project supported, planned results should generally be visible between one and two years following receipt of the assistance by the enterprise.

FOLLOW-UP

The Agency will know that its intervention contributes to producing the planned results if the evaluations, surveys and analyses provided for in its performance measurement strategy show enterprises adopting new business practices and enhancing their competitiveness.

STATUS

Priority:

- New business practices ties in with the Innovation — Knowledge economy priority

The logic model for Competitiveness — New business practices may be consulted on page 53 of the *Performance Report for the period ending March 31, 2003* (www.dec-ced.gc.ca/Complements/Publications/RMR2003/en/3.html#anchor24).



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New business practices (NBPs) involve a comprehensive process of renewal of an enterprise's strategic positioning and way of doing business. NBPs can lead to introduction of planning processes, strategies for enhancement and development of the enterprise's key competitive advantages, new industrial organization modes (linkages, subcontracting, alliances with foreign firms, etc.), e-business practices, management practices geared to sustainable development, quality management practices, and so on.

In the context of economic globalization, one way for enterprises to reinforce their competitiveness and productivity is to modernize their business practices. In some economic sectors, particularly those whose organizational model is based on close relations between prime contractors and subcontracting SMEs, the bell for e-business practices and quality management practices rang several years back. Successful adoption of such practices is no easy matter, though; owing to their complexity, these projects involve risk and major challenges.

To promote the adoption of advanced business practices, the Agency's plan is to foster:

- access to specialized intelligence and enterprises' awareness of advanced business practice issues
- development of business executives' competencies in these fields
- introduction and implementation of advanced business practices.

Example of target as to planned results (2004-2005 — 2006-2007)

- Some 400 enterprises will have introduced new business practices.

Component I.3.2 Competitiveness — Innovation in processes, equipment and products

<p>MAIN PLANNED RESULTS, IN THE MEDIUM TERM, IN ENTERPRISES</p> <ul style="list-style-type: none"> ■ innovative products and services ready to be commercialized ■ development and use of higher-performance production processes ■ acquisition of new technology and more productive equipment ■ enhancement of enterprises' competitiveness and productivity.
<p>MILESTONES</p> <p>Depending on the complexity and scale of each project supported, planned results should generally be visible between six and 18 months following receipt of the assistance by the enterprise. The Agency will know that its intervention contributes to producing</p>
<p>FOLLOW-UP</p> <p>the planned results if the evaluations, surveys and analyses provided for in its performance measurement strategy show that innovative enterprises have enhanced their competitiveness and productivity, as would be demonstrated by an increase in their sales and exports, and increased added value in the enterprise.</p>
<p>STATUS</p> <p>Priority:</p> <ul style="list-style-type: none"> ■ Innovation in processes, equipment and products ties in with the Innovation — Knowledge economy priority.
<p>The logic model for Competitiveness — Innovation in processes, equipment and products may be consulted on page 59 of the <i>Performance Report for the period ending March 31, 2003</i> (www.dec-ced.gc.ca/Complements/Publications/RMR2003/en/3.html#anchor25).</p>

Enterprises can increase their competitiveness and productivity by reinforcing their ability to innovate. A product differentiated by its technical characteristics or special design gives the enterprise a competitive advantage and increases added value. Technologically advanced processes also help bring down production costs and offer products at competitive prices. Upgrading of level of knowledge and scientific and technical competencies in the enterprise can enhance its ability to innovate.

To remain in the race alongside dynamic competitors who are themselves seeking to pull ahead, Quebec enterprises have to be able to identify and process strategic information on new trends in technology and design, and innovate rapidly and constantly, in line with ever-shorter development cycles. To develop these new competencies, enterprises have to be able to count on specialized professional human resources.

The Agency's plan with respect to innovation fosters:

To support the development of enterprises and ensure their competitiveness, the Agency encourages the development and fine-tuning of innovative products and services, the use of better production processes and the acquisition of new technology and more productive equipment.

- access to specialized information and enterprises' awareness of the issues of innovation
- development of competencies
- development of products
- enhancement of productivity through innovation in processes and procedures.

The Agency co-ordinates its support for innovation with, among others, the National Research Council Canada, which helps enterprises through its Industrial Research Assistance Program (IRAP) and the Canadian Technology Network (CNT), in particular. It also co-ordinates with Canada Revenue Agency (CRA) to inform enterprises about the application of tax credits to research and development expenditures. In conjunction with Agriculture and Agri-Food Canada and the Canadian Forest Service, the Agency supports innovation, trial and experimentation projects to enhance natural resources.

Example of target as to planned results (2004-2005 — 2006-2007)

- Some 250 enterprises will have carried out innovation projects.

Component 1.3.3 Competitiveness — Commercialization

MAIN PLANNED RESULTS, IN THE MEDIUM TERM, IN ENTERPRISES <ul style="list-style-type: none">■ increased sales of innovative products■ increased exports.	
MILESTONES <p>Planned results should generally be visible between six and 12 months following receipt of the assistance by the enterprise.</p>	
FOLLOW-UP <p>The Agency will know that its intervention contributes to producing the planned results if the evaluations, surveys and analyses provided for in its performance measurement strategy show that the enterprises assisted have developed and made sales on new markets, commercialized innovative products or increased their exports.</p>	
STATUS <p>Priorities:</p> <ul style="list-style-type: none">■ innovation commercialization projects in all regions of Quebec■ in communities experiencing adjustment difficulties, also include market development projects.	<p>Current activities:</p> <ul style="list-style-type: none">■ all other commercialization projects.
<p>The logic model for Competitiveness — Commercialization may be consulted on page 64 of the <i>Performance Report for the period ending March 31, 2003</i> (www.dec-ced.gc.ca/Complements/Publications/RMR2003/en/3.html#anchor26).</p>	

In a context of economic globalization, enterprises' ability to commercialize and export their products and services effectively is crucially important for their survival and growth. Implementation of commercialization strategies involves significant costs and a degree of risk for enterprises, especially where new product launches of penetration of a new market in a foreign country are involved. Commercialization is a sophisticated operation; carrying it through successfully requires access to accurate market information, and the availability of marketing professionals in the enterprise. New information and communications technologies have opened new doors in the way of marketing products and services. With the advent of e-commerce, it has become more common to carry out transactions on the Web.

The Agency aims to reinforce the marketing and export capabilities of enterprises, focussing on those which innovate and commercialize their new products on international markets. The Agency's plan has several facets:

- access to specialized information on markets and awareness of commercialization issues
- development of marketing competencies
- development of markets, particularly for innovative products.

Implementation of this plan is carried out primarily through Agency-specific programming. The Agency also ensures delivery of the Program for Export Market Development (PEMD) under an agreement with the Department of International Trade Canada (ITCan), which is responsible for the PEMD budget. The Agency is an integral part of the Team Canada Inc. business network, which places Canadian enterprises in touch with federal and provincial networks and other partners to help them succeed on international markets.

Examples of targets as to planned results (2004-2005 — 2006-2007)

- Some 200 enterprises will have made sales on new markets.
- Some 300 enterprises will have commercialized innovative products.

Component 1.4 Development of small enterprises

PLANNED MAIN RESULT, IN THE MEDIUM TERM, IN ENTERPRISES	
■ startup and expansion of small enterprises of local and regional scope.	
MILESTONES	
Planned results should generally be visible between six and 18 months following receipt of assistance by the enterprise.	
FOLLOW-UP	
The Agency will know that its intervention contributes to producing the planned results if the surveys and analyses provided for in its performance measurement strategy show that small enterprises have been created or have expanded. In addition, evaluations of the main programs contributing to attainment of planned results are scheduled for FY 2004-2005. These are the Community Futures Program (CFP) and the Canadian Support Program for the Gaspésie—Îles-de-la-Madeleine Economy	
STATUS	
Priority: ■ in communities experiencing adjustment difficulties.	Current activity: ■ in other Quebec communities.
The logic model for Development of small enterprises may be consulted on page 69 of the <i>Performance Report for the period ending March 31, 2003</i> (www.dec-ced.gc.ca/Complements/Publications/RMR2003/en/3.html#anchor27).	

Establishment and development of small enterprises with local and regional reach contribute to maintaining and creating jobs, as well as having an impact on the restructuring of local economies. For the most part, small enterprises start out serving markets in their immediate regions, but some of them will succeed in making a name for themselves on the national and international economic stage. Regardless of how they evolve in future, small enterprises are an essential element in maintaining communities' economic vitality.

Owing to their size, however, it is harder for small enterprises to raise the funds they need for startup and expansion; this may be attributable in particular to the special type of risk they represent for lending institutions owing to their limited experience and low capitalization. This challenge arises particularly for groups which, in the past, took little part in the business world, such as young people, women and Aboriginals. The case of young entrepreneurs is of special interest because they represent the potential succession for their region's economic development.



Laval — Laurentides — Lanaudière
CEVEQ

The Agency's plan for the development of small enterprises of local and regional scope targets their startup and expansion, and improvement in their level of success and durability. This plan applies primarily in rural regions and certain urban districts that are undergoing restructuring. The main way in which the Agency implements this plan is to grant financial assistance to organizations providing guidance and counselling services to small enterprises in their local communities, and at the same time providing financing to enable them to carry out their projects, including startups.

Three types of organizations will continue to receive special attention from the Agency with regard to development of small enterprises. These are, first, the Community Futures Development Corporations of which there are 57. There are CFDCs in all of Quebec's remote regions and rural communities, and they also play a role in facilitation of their local economic development (cf. Component 2.1, Local capability to energize development of the local economy). The Agency also supports nine Business Development Centres, whose role focusses solely on assistance to enterprises. In urban areas, the Agency also supports, in association with the provincial government and the municipalities concerned, 14 Community Economic Development Corporations to enable them to stimulate the pre-startup and startup of small enterprises and provide information and guidance services as well as technical services to enterprises.

The Agency helps these organizations cover their operating costs through the Community Futures Program (cf. Section 8.1.2). This is a national program whose implementation in Quebec is entrusted to the Agency. Canada Economic Development helped the CFDCs set up a special investment fund for financing young entrepreneurs' projects. The CFDCs, BDCs and CEDCs complement the Agency's economic development action by extending its scope beyond what could be accomplished if Canada Economic Development intervened on its own vis-à-vis the thousands of small enterprises throughout Quebec.

The Agency also provides financial assistance directly to small enterprises of local and regional scope, more specifically in regions posting slow growth or inadequate employment or experiencing economic problems of a situational or structural nature, including the Gaspésie—Îles-de-la-Madeleine region in particular.

Social economy enterprises contribute to reinforcing the social and economic vitality of Quebec communities, particularly in rural regions and urban neighbourhoods undergoing restructuring (cf. Section 3.2). These enterprises have varied financial needs, ranging from credit facilities to patient capital, including long-term loans with flexible repayment terms. Recognizing the growing contribution of the social economy to Canadian communities, the Government of Canada announced in Budget 2004 in March a measure targeting the funding of enterprises in this sector. Canada Economic Development is to work with Industry Canada and the other regional development agencies to set up regional pilot patient capital funds, including one for Quebec, to facilitate social economy enterprises' access to financing geared to their needs.

Example of target as to planned results (2004-2005 — 2006-2007)

- Some 2,500 small enterprises of local or regional scope will have been created or will have expanded in the different regions of Quebec.

Improvement of the environment for economic development of the regions
(Strategic outcome #2)

MAIN PLANNED RESULTS <i>for the two key priorities</i>
Innovation — Knowledge economy <ul style="list-style-type: none">■ new products and enterprises stemming from institutional research.
Communities experiencing adjustment difficulties <ul style="list-style-type: none">■ planned results listed above (Innovation — Knowledge economy)■ regional strategies developed and implemented by local and regional economic agents■ completion of projects aimed at creating or reinforcing assets likely to generate a strategic impact and to have ripple effects on a region's economy.

A region's economic development cannot be successful unless local economic agents participate very actively in it and take it in hand. In the context of Strategic outcome #1, the Agency emphasizes the development of enterprises and their competitiveness. But it is hard for enterprises to meet the competitiveness challenge alone; their ability to deal with international competition largely depends on an economic environment conducive to development. That is why the second strategic outcome targeted by the Agency consists in *improvement of the environment for economic development of the regions*. In that case, the main impact sought has a **community** dimension, which will make itself felt on the business environment.

The need to improve the economic environment in order to develop enterprises may be illustrated as follows: in economic sectors which make intensive use of complex, rapidly developing knowledge, for instance, an SME would have great difficulty mastering the evolving knowledge on its own if it could not rely on a regional environment rich in research and technological watch activities. Another example: a community which enhances its regional tourist attractions and markets them effectively abroad will thus foster growth in its region's hotel and motel accommodation, and that will enable this industry to maintain and create more jobs.



Mauricie
Ginette M. Champoux
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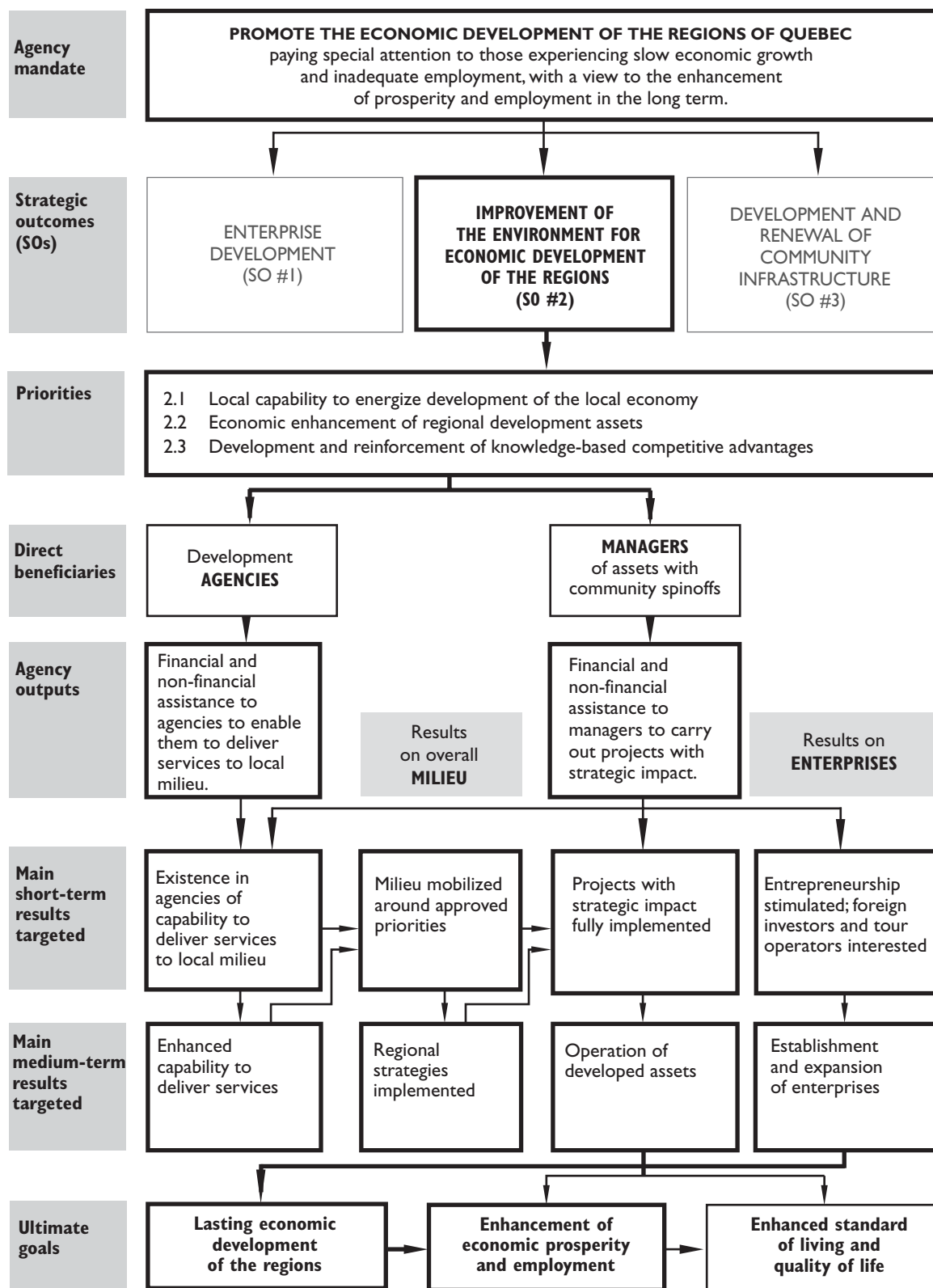
Canada Economic Development contributes to improving the economic environment by assisting the implementation of projects in line with the strategic outcome components presented in the table on the following page (these three components are described later in this section). To do so, the Agency supports development organizations providing services on a regional basis. These comprise local, regional and sectoral bodies seeking local joint action and mobilization in order to energize development of their economy further. They are also organizations which disseminate information on their region's economic development issues, produce analyses on development opportunities, raise local awareness of new trends and challenges, or help the economic development milieu upgrade their competencies with regard to economic development.

The Agency also supports managers of assets with community spinoffs, that is, non-profit organizations and enterprises, to enable them to carry out projects to develop their region's competitive advantages. These projects consist in enhancing community facilities with an economic role and tourist attractions, or stimulating, in their region, the economic enhancement of the products of research, to give just a few examples.

Through financial assistance to organizations devoted to their region's development, the Agency ultimately aims, at the end of a long chain of consequences, for a series of enterprises to benefit from implementation of projects to improve the environment for economic development in their region, and for expanding these enterprises' business to lead to an increase in economic activity, employment and income earned in the region.

The contribution expenditures the Agency plans to make in support of improvement of the environment for economic development will reach some \$239 million over the period 2004-2005 — 2006-2007; this budget will be allocated among the three strategic outcome components presented below. This amount illustrates the relative importance placed on this strategic outcome and should be seen as an approximation. These projected three-year expenditures represent a 6-per cent decrease from the \$255 million provided for in the *2003-2004 Report on Plans and Priorities*, this drop is mainly explained by the smaller budget allocated to the Agency's core mandate following the planned termination, on March 31, 2005, of the transfer of the balance from the Canada Jobs Fund (CJF).

Logic model for Strategic Outcome #2



Planned results, plans and priorities, by component of Strategic outcome #2

Component 2.1 Local capability to energize development of the local economy

MAIN PLANNED RESULTS, IN THE MEDIUM AND LONG TERM, ON LOCAL CAPABILITY TO ENERGIZE DEVELOPMENT OF THE LOCAL ECONOMY	
<p>Contribution to the development and implementation by local and regional economic agents of</p> <ul style="list-style-type: none">■ local strategies■ projects with strategic impact. <p>And through Agency support for international promotion activities</p> <ul style="list-style-type: none">■ foreign enterprises and organizations established in Quebec■ foreign tourists drawn to Quebec.	
<hr/> MILESTONES	
<p>Depending on the complexity and scale of each project supported, planned results should generally be visible between six and 48 months following receipt of assistance by local and regional economic agents.</p>	
<hr/> FOLLOW-UP	
<p>The Agency will know that its intervention contributes to producing the planned results if the surveys and analyses provided for in its performance measurement strategy show that the regional players financed are implementing the regional development strategies drawn up with Agency assistance, are designing and carrying out projects to improve the environment for economic development, and are succeeding in drawing foreign tourists to their region.</p> <p>Moreover, the Community Futures Program and the Canadian Support Program for the Gaspésie—Îles-de-la-Madeleine Economy will be the subject of an evaluation during the next two fiscal years. These evaluations will provide relevant information for gauging their impact on the local milieu's capability to energize development of its economy.</p>	
<hr/> STATUS	
<p>Priority:</p> <ul style="list-style-type: none">■ in communities experiencing adjustment difficulties.	<p>Current activity:</p> <ul style="list-style-type: none">■ in other Quebec communities and regions.
<hr/> <p>The logic model for Local capability to energize development of the local economy may be consulted on page 80 of the <i>Performance Report for the period ending March 31, 2003</i> (www.dec-ced.gc.ca/Complements/Publications/RMR2003/en/3.html#anchor31).</p>	



Montréal
Jeanne d'Arc Miron
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Co-operation and convergence of the efforts of all economic agents are essential conditions for improving the environment for economic development. A region's economic development cannot succeed without the local economic milieu taking its development in hand; this is a lesson learnt from decades of efforts by North American and European governments in regional economic development. To bring together local players and achieve consensus on strategies and priorities that are promising for economic development, the regions have to be able to count on the dynamism of local service organizations and economic agents familiar with new development trends.

The Agency actively supports increasing local and regional economic agents' capability to elicit the emergence of projects likely to reinforce their region's distinctive competitive advantages. The Agency's plan for reinforcing local capability involves:

- supporting local economic facilitation
- fostering international promotion
- promoting entrepreneurship.

With respect to economic facilitation of the local economic milieu, the Agency provides financial support and guidance for organizations which produce analyses, disseminate documents, organize conferences,

The Agency also supports organizations whose mission is to generate local joint action and mobilization concerning local or regional strategies and priorities.

seminars and workshops, among other things, to elicit reflection of regional development issues in the new global economic context. Canada Economic Development also supports organizations which help local economic agents, including social economy organizations, enhance their regional and community development competencies. The Agency also helps organizations which set up and facilitate networks for sharing learning on new trends and best practices in local and regional development, or which develop tools for local mobilization and facilitation. Its business offices play an active role, in conjunction with these organizations, in ensuring joint

action by and mobilization of the economic development agents in their territory. The Community Futures Development Corporations are among Agency-supported organizations which contribute to mobilization of their local milieu.

With regard to the social economy, the Government of Canada announced in Budget 2004 in March a measure to strengthen support for developing the capacity of organizations operating in this sector. Canada Economic Development is to work with Industry Canada and the other regional development agencies to launch a pilot program aimed at supporting the strategic planning and capacity-building activities of enterprises and organizations in the social economy sector.

With respect to international promotion, the Agency supports organizations which advocate for their region vis-à-vis foreign investors, tourists or buyers. Awakening foreign buyers' interest in a region's products is likely to generate increased exports by regional enterprises. Visits and extended stays by foreign tourists help the tourism industry grow and create jobs. Furthermore, a foreign investor brings to the region where he settles not only the jobs he creates when he sets up, but also a network of business and new technology, thus giving rise to new development potential. The result can be reinforcement of critical masses of activity and consolidation of regional niches of excellence.

Canada Economic Development also helps organizations which promote entrepreneurship. The Agency aims for a larger number of individuals, including students, to envisage the possibility of a business career as an entrepreneur, and for a larger number of business executives to want to emulate the best among them and excel in business. The result will be the creation and expansion of enterprises in the medium term.

Examples of targets as to planned results (2004-2005 — 2006-2007)

- Some 500 initiatives (strategies, plans) emerging from local and regional economic agents;
- Approximately one million foreign tourists drawn to the regions of Quebec.

Component 2.2 Economic enhancement of regional development assets

MAIN PLANNED RESULTS, IN THE MEDIUM AND LONG TERM, ON ECONOMIC ASSETS WITH COMMUNITY SPINOFFS	
<ul style="list-style-type: none">■ upgrading of community facilities with an economic role■ increase in international visitors to attractions and major tourism events.	
MILESTONES	
Depending on the complexity and scale of each project supported, planned results should generally be visible between six and 36 months following receipt of assistance by the managers of assets with community spinoffs.	
FOLLOW-UP	
The Agency will know that its intervention contributes to producing the planned results if the surveys and analyses provided for in its performance measurement strategy show an increase in the use of community facilities for economic purposes and if the events supported and attractions enhanced are visited by foreign travellers in the different regions of Quebec.	
STATUS	
Priority: <ul style="list-style-type: none">■ in communities experiencing adjustment difficulties.	Current activity: <ul style="list-style-type: none">■ in other Quebec communities and regions.
The logic model for Economic enhancement of regional development assets may be consulted on page 87 of the <i>Performance Report for the period ending March 31, 2003</i> (www.dec-ced.gc.ca/Complements/Publications/RMR2003/en/3.html#anchor32).	

Construction, upgrading or renovation of certain community facilities with an economic role proves, in some regions, to be a strategy appropriate to maintaining their economic base and a premise for their future development. In some cases, a region's development potential cannot be enhanced without government support for the establishment and preservation of such community facilities.

Moreover, enhancement of a region's main tourist attractions reinforces its distinctive positioning on the international market. The Agency thus aims to develop a competitive tourist offering in terms of quality and differentiation, so as to increase the number of visitors, extend their stays, increase the economic spinoffs from their visits and ensure that on their return to their home country they recommend a visit to the regions of Quebec to other travellers.



Nord-du-Québec
Jean-Marie Dubois
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It is not enough for this tourism offering to exist, it is also important for it to be known and well-reputed; so the operators of these tourist attractions and major events have to design and implement international marketing plans for their products. Their marketing abroad will help attract international tourists and thus bring greater economic prosperity to the regions.

The Agency supports the implementation of projects aimed at creating or reinforcing assets likely to generate a strategic impact and to have ripple effects on a region's economy. The Agency's plan for the economic enhancement of regional development assets comprises two elements:

- development or enhancement of an asset (generally capital projects)
- marketing of these assets abroad.

Examples of targets as to planned results (2004-2005 — 2006-2007)

- Some 500,000 foreign travellers participate in events supported or visit regional tourist attractions enhanced with Agency assistance.
- Some \$250 million invested (total value of projects supported) by various economic development players to enhance regional assets.

Component 2.3 Development and reinforcement of knowledge-based competitive advantages

<p>MAIN PLANNED RESULTS, IN THE MEDIUM AND LONG TERM, IN ENTERPRISES</p> <ul style="list-style-type: none"> ■ new products and enterprises stemming from institutional research.
<p>MILESTONES</p> <p>Depending on the complexity and scale of each project supported, planned results should generally be visible between two and five years following receipt of assistance by the local and regional economic agents.</p>
<p>FOLLOW-UP</p> <p>The Agency will know that its intervention contributes to producing the planned results if the evaluations, surveys and analyses provided for in its performance measurement strategy show that the projects supported have led to the development of business applications (products, equipment or processes) and the grasping of business opportunities by entrepreneurs on the basis of research results or scientific knowledge.</p>
<p>STATUS</p> <p>Priority:</p> <ul style="list-style-type: none"> ■ Development and reinforcement of knowledge-based competitive advantages is in line with the Innovation — Knowledge economy priority.
<p>The logic model for Development and reinforcement of knowledge-based competitive advantages may be consulted on page 91 of the <i>Performance Report for the period ending March 31, 2003</i> (http://www.dec-ced.gc.ca/Complements/Publications/RMR2003/en/3.html#anchor33).</p>

To meet the competitiveness challenge, enterprises have to innovate unceasingly; they therefore need an economic environment that performs well in terms of command and dissemination of knowledge. In fact, knowledge is increasingly becoming one of the determining foundations of economic development. A number of projects aimed at improving access to knowledge and its development are likely to generate, in the medium and long term, substantial ripple effects on the economic activities of a community, region or economic sector and can thus reinforce their competitive advantages, and even develop new ones. Knowledge is partly **public property**, and the modern state plays a significant role in the advancement of scientific and technical knowledge, before that knowledge has reached the stage of development and perfection of business applications.

With a view to improving the environment for economic development of the regions, the Agency sees to the reinforcement of their knowledge-based competitive advantages and the economic enhancement of the products of research.

All Quebec regions have enterprises active in industrial R&D. Specialized technological axes comprising several research centres are established notably in the Montreal, Québec City, Sherbrooke, Trois-Rivières, Gatineau and Saguenay metropolitan areas, as well as in the Bas-Saint-Laurent and Abitibi-Témiscamingue. To contribute fully to their region's economic development, these research institutions stand to gain by integrating more closely with the regional economic fabric. The results of their work must be commercially enhanced so that technological progress leads to economic progress in the regions.

This is an important component of the Innovation — Knowledge economy priority. Notable among the niches of excellence supported are aerospace, aluminum processing, marine technology and marine science, plant biology, agri-food, biotechnology, health sciences, new materials, electronic arts, pulp and paper and the boreal forest.

Examples of targets as to planned results (2004-2005 — 2006-2007)

- Some \$250 million invested (total value of projects supported) by various economic development agents to reinforce knowledge-based competitive advantages.
- Regional focuses of excellence (e.g., biotechnology, aluminum, aerospace, marine technology) reinforced through the economic enhancement of the products of research.

5.1.2 Strategic outcome under a special mandate

Development and renewal of community infrastructure (strategic outcome #3)

MAIN PLANNED RESULTS IN COMMUNITIES <ul style="list-style-type: none">■ improvement of drinking water quality; improvement of wastewater collection and treatment; development of innovative technology■ upgrading of the highway network; enhancement of public transit; experimentation with and integration of vehicles using replacement fuel■ development of tourism potential; enhancement of sports, recreational and cultural facilities■ economic spinoffs.
MILESTONES <p>Depending on the complexity and scale of each project supported, planned results should generally be visible between one and five years following receipt of assistance by the beneficiaries.</p>
FOLLOW-UP <p>In co-operation with the Government of Quebec, the Agency will continue evaluation work concerning the Infrastructure Canada Program (ICP) over the coming fiscal years. A formative evaluation of the program is scheduled for FY 2004-2005, while the final program evaluation will be carried out in 2006-2007. These two evaluations should provide information on timeliness and the program's planned results.</p> <p>The Agency will know that its intervention contributes to producing the planned results if the projects funded under ICP contribute to improving water quality and environmental quality, development of tourism potential, enhanced mobility of the Quebec highway system, enhanced public health, hygiene and safety, and adoption of better technology, new approaches and practices.</p>
STATUS <p>Current activity</p>

The Government of Canada established the Infrastructure Canada Program in 2000 and entrusted its implementation in Quebec to the Agency; the program is delivered under an agreement reached with the Government of Quebec. The ICP aims to lead to the renovation, replacement or construction of infrastructure. Its purpose is thus to improve Quebecers' quality of life through investment that raises the quality of the environment, supports long-term economic growth, upgrades community infrastructure and contributes to putting in place 21st-Century infrastructure through the adoption both of best technologies and practices and of new approaches.



Outaouais
P.-É. Larivière
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As well as contributing to setting up or upgrading the prerequisite foundation essential for long-term economic development, investing in upgrading community infrastructure sustains short-term economic growth by directly creating jobs. Many of these investments have a positive impact on user safety and environmental quality.

Under this program, the Agency grants, through the Government of Quebec, financial assistance to municipalities, intermunicipal boards, non-profit organizations and enterprises. The projects supported by the Agency also receive financial assistance from the Government of Quebec. The program comprises three components:

- drinking water and wastewater infrastructure
- local transportation infrastructure
- projects with urban or regional economic impact.

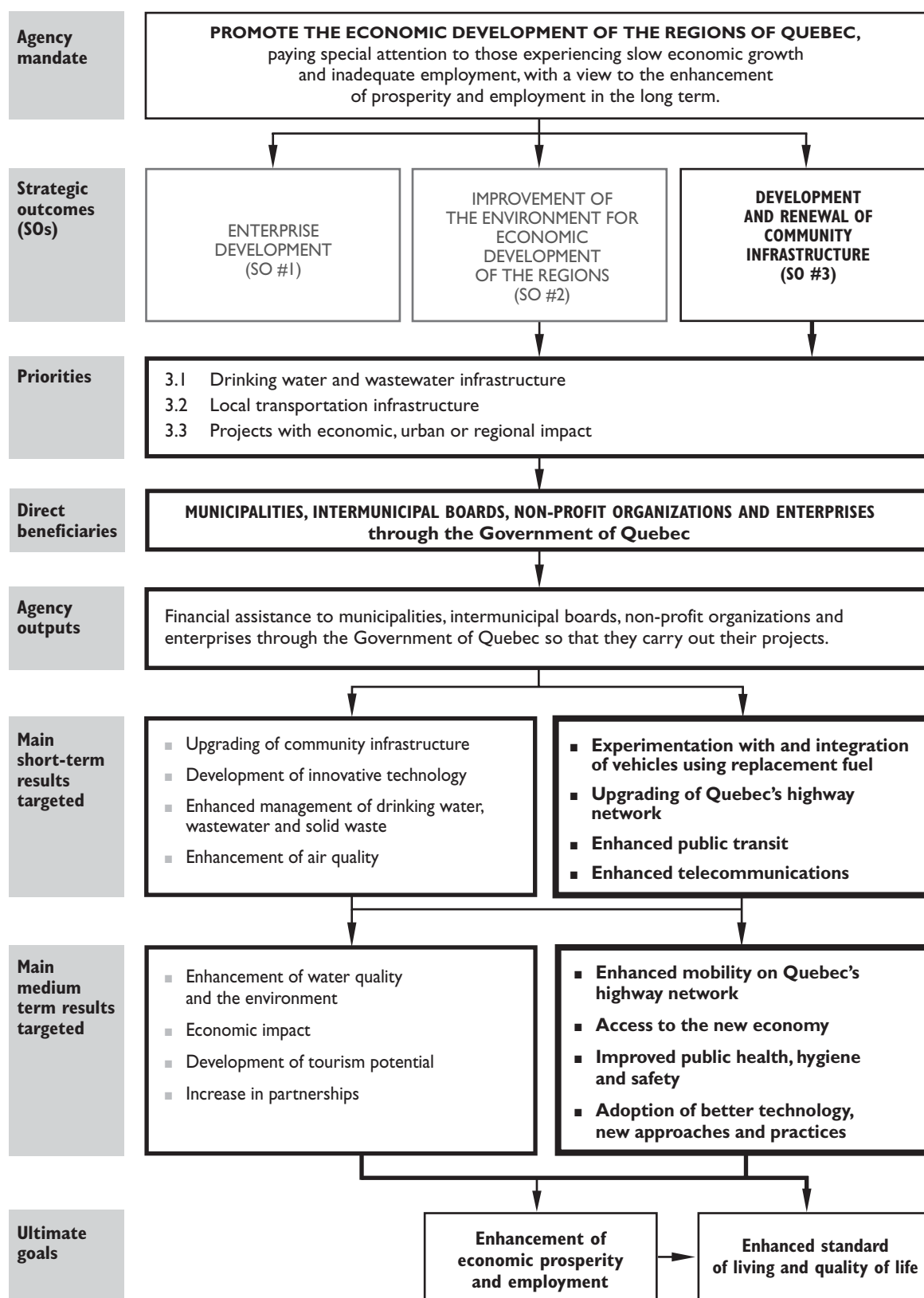
The table on the following page illustrates the logic model for this strategic outcome.

The contribution expenditures the Agency plans to make in support of development of community infrastructure will reach approximately \$322 million over the period 2004-2005 — 2006-2007, compared with the \$369 million provided for in the *2003-2004 Report on Plans and Priorities*. The budget for this program constitutes a separate financial envelope, and is not part of the budget voted to the Agency to fulfil its core mandate. The amount for \$322 million includes the expenditure of \$10 million under the 1994 Canada-Quebec Agreement.

Examples of targets as to planned results (2004-2005 — 2006-2007)

- Some 440 projects carried out to enable municipalities to comply with the new drinking water quality regulations and upgrade wastewater treatment so as to reduce pollution (Component 1).
- Some 350 projects carried out to improve the safety of highways, bridges and other municipal engineering structures (Component 2).
- Some 120 projects carried out to support economic growth and enhance community assets with an economic role (Component 3).

Logic model for Strategic Outcome #3



5.2 Factors likely to influence Agency performance



Québec—Chaudière-Appalaches

Economic development depends on local and regional enterprises and economic agents, the very people who design and carry out the projects supported by the Agency. The result is great interdependence among, on the one hand, the dynamism of those involved and, on the other hand, the Agency's level of activities and its results, over which it consequently does not have absolute control.

In fact, while the Agency pursues a proactive approach and works to mobilize development agents, it is they who ultimately decide which projects they put forward, which ones they will end up carrying out and the timetable they will follow, and those they will drop.

In this context, the prevailing economic situation in 2004 and subsequent years will influence local players' decisions as to whether or not to go ahead with implementation of their development projects. Private sector forecasters expect GDP growth in Quebec of some 3% in 2004. Employment should grow slightly in 2004, whereas the unemployment rate is forecast to remain steady at around 9%.

The Canadian dollar's appreciation against the U.S. dollar in 2003, if it continues, could slow down Quebec manufacturing exports to the United States. This would especially affect the economies of the regions heavily dependent on sectors particularly exposed to the higher Canadian currency, such as pulp and paper, lumber and aluminum (strongly represented in the outlying regions) and furniture, textiles and clothing (located primarily in Montreal and the intermediate central regions). Furthermore, the higher dollar could have an impact on the number of foreign tourists staying in Quebec, particularly affecting the Montreal, Québec City and Ottawa-Gatineau areas.

On the other hand, the higher Canadian dollar could prompt many Quebec enterprises, including exporting SMEs, to invest further in enhancing their productivity to maintain their competitiveness, especially since a large proportion of their machinery and equipment purchases come from the United States.

Moreover, some small rural or remote communities could potentially face major adjustment and restructuring challenges, should a principal employer close down or a dominant sector undergo a substantial contraction.

Finally, the Government of Quebec is in the process of reviewing its regional development policy which could have an impact on the Agency's intervention.

5.3 Performance review and measurement strategy

The Agency's review strategy includes evaluations, audits and surveys. Over the next few years, the Agency's review plan provides for the audit and evaluation of its programs, including the Canadian Support Program for the Gaspésie—Îles-de-la-Madeleine Economy, the Community Futures Program, the Innovation, development entrepreneurship and access program (IDEA) for SMEs and the Regional Strategic Initiatives program. The results of these reviews and of several others will enable the Agency to derive lessons and incorporate appropriate adjustments into its management and intervention methods in the regions of Quebec.

An assessment of the Agency's intervention in the Innovation — Knowledge economy field is currently under way. The evaluation framework was designed to enable the Agency to draw lessons from the implementation of this intervention, the timeliness of the approach advocated and the results on enterprises' competitiveness in order to inform it concerning planning of its future intervention.

In a results-based management perspective, the Agency is continuing to implement and optimize its performance measurement strategy.

The efforts invested are aimed in particular at improving continuous performance measurement with respect to each of the determining stages in the process, namely, establishment of objectives and performance indicators for each project receiving an Agency contribution until reporting to Parliament and Canadians.

Information on results derived from reviews and ongoing monitoring of project performance contributes to that found in the Treasury Board of Canada Secretariat paper entitled *Canada's Performance* under the heading "Economic Opportunities and Innovation in Canada". Nonetheless, to the extent that the Agency works with many development agents in the regions of Quebec, including different levels of government, the results achieved by the Agency constitute only one of the many factors contributing to the economic development of the regions of Quebec and to variations in the major indicators identified in *Canada's Performance*, such as employment, gross domestic product and research and development expenditures.

Canada Economic Development's *Performance Report for the period ending March 31, 2003* may be consulted on the Web at http://www.dec-ced.gc.ca/Complements/Publications/PublicationAgence-EN/RMR-30_10_2003.pdf.

5.4 Lessons from past experience

Management of contribution agreements with local business assistance and development organizations

Information from evaluations, studies and so on shows that, since the mid-1990s, support for local business assistance or development organizations

Today, the Agency boasts a network of collaborators playing key roles in the regions of Quebec.

has risen substantially at the Agency. While they offer different types of expertise and products to SMEs and other economic development players, the objectives pursued by these organizations are in line with the Agency's. A funded organization must pursue the attainment of tangible, targeted results that fit in with the Agency's intervention strategy. The Agency ensures that it obtains information on the outputs and results of the organizations it finances, so as to be able to gauge the extent to which the objectives pursued are achieved.

Currently, while it is in a position to obtain a great deal of information on these organizations' outputs, the Agency is aware of the difficulties associated with obtaining reliable, standardized information on results. Thus, organizations that belong to the Agency's network of collaborators need to be guided, supervised and supported, on an ongoing basis, as to performance measurement and the application of results-based management. The Agency is also conscious that, vis-à-vis the organizations, where applicable, standardization of its performance information requirements with the other levels of government is desirable.

These different lessons learned by the Agency over the past few years have already had an impact on its way of transacting and intervening through collaborators. They will also have repercussions on several Agency initiatives over the next few fiscal years, such as the review and positioning of its intervention through collaborators in the regions of Quebec, enhancement of its performance measurement strategy and renewal of its programming.

Programming design, development and management

The information generated and processed by the Agency from evaluations, studies and other sources shows that the dynamics of regional development is in mid-transformation in the new global economic context. The heavy trends represented by development of the knowledge economy, globalization, the aging of the population and the appearance of new information technology are prompting governments and development players to question themselves and rethink their policies, practices, strategies, programs and objectives with regard to regional development. In other words, the new world economic context makes the issues associated with development of the regions of Quebec more complex and diversified.

In the face of these new challenges, the Agency has grasped the importance of adjusting its intervention to the various regional realities. One effective, recognized means in particular is to design, develop and manage programming in line with regional issues, empowering local economic agents in their development and focussing on the attainment of tangible results for Canadians. To that end, over the past few years, the Agency has developed the Regional Strategic Initiatives program. This program, which can be adjusted in a regional perspective and whose conditions are flexible, is innovative since it aims to cater to the growing need of the economies of the regions to adjust, building in particular on innovation. Along the same lines, the Agency gives the regions the opportunity, by means of funding for local development organizations under the Community Futures Program, to increase their economies' development capability and take their future in hand.

6 KEY GOVERNMENT-WIDE MANAGEMENT INITIATIVES

The Government of Canada has clearly expressed its desire to progress toward attainment of the objectives targeted under different management initiatives, including the enhancement of reports to Parliament, Government On-line (GOL), Service Improvement and Modern Comptrollership. Following is an overview of the Agency's plans and priorities with regard to the government's key management initiatives.

6.1 Modern Comptrollership

The Government of Canada's Modern Comptrollership initiative was initiated at the Agency in March 2002 under the much more meaningful title for the personnel as a whole, *Modernization of Management Practices*.

In early 2003-2004, the Agency developed an action plan in response to the main recommendations of the assessment of its situation with respect to modern management practices. This action plan highlighted four management practices which the Agency has identified as priorities for action and starting points for modernizing its management practices.

Modernizing of Management Practices	
Management of information and management tools TARGETING integrated financial and operational information and appropriate management tools.	Management of individuals, including a code of values and ethics TARGETING strategic management of competencies, a values and ethics framework and greater staff satisfaction.
Management of risk and streamlining of processes TARGETING management of the risk incorporated in contributions management processes.	Optimization of the planning process TARGETING enhanced integration of planning and performance evaluation.

Improvement in these four management practices should enable the Agency to make substantial progress in modernization during 2004-2005 and breathe the wind of change into its corporate culture.

6.2 Integrated management of risks associated with financial contributions



Saguenay—Lac-Saint-Jean
Gilles Potvin
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Under the government's Modern Comptrollership (Modernization of Management Practices) initiative, the Agency in May 2003 approved as one of its priorities for action the introduction of Integrated Risk Management (IRM) in its activities and contributions management processes.

Integrated risk management is a continuous, proactive and systematic process to understand and manage risk from a perspective of attainment of the Agency's planned results. It is about making strategic decisions that contribute to the achievement of the organization's overall corporate objectives. In our current work environment, a more integrated approach with respect to risk management is essential.

Once introduced, this initiative will lead to more effective, structured management of contribution files on the basis of risk levels relative to anticipated results, promoters' financial ability to carry out the projects, and ability to repay contributions. In a context of limited resources where the quality and variety of the services expected by the business population is constantly growing, the initiative will at the same time make it possible to systematize the approach whereby the majority of resources are concentrated in files requiring closer management and follow-up. The streamlining of processes for a substantial proportion of files will be justified by the low risk present.

The Agency's commitment for FY 2004-2005 is to review the challenges and solutions identified in the action plan developed in 2003-2004 and undertake the IRM implementation phase by proposing, as applicable, the adjustments required to processes and the Quality Manual. Completion of a personnel awareness and training program combined with a structured communication plan are scheduled.

6.3 Government On-Line — Service Improvement Initiative

The goal of the Government On-Line initiative is to use information and communication technology to provide Canadians with enhanced access to improved citizen-centred, integrated services, anytime, anywhere and in the official language of their choice.

But the GOL initiative has evolved since it was launched. Whereas the original aim was for all government programs and services to be available electronically by 2005, the Treasury Board Secretariat integrated it in April 2002 with the much more comprehensive Service Improvement (SI) initiative.

The Agency's commitment in this regard, for 2004-2005, includes offering on its Web site enhanced access to information on its programs and services and electronic material in support of SMEs, such as market studies. The Agency will also work on planning making part of its programming available online. Further information on GOL/SI may be found on the Agency's Web site at http://www.dec-ced.gc.ca/asp/Publications/Doc_pub_agence.asp.

6.4 Sustainable Development Strategy

The Agency's new *Sustainable Development Strategy - Action Plan 2003-2006* (SDS) is in line with evolving trends in sustainable development over the next few years. It also reflects Canada's action plan and priorities with respect to the reduction of greenhouse gases.

In a context of market globalization and liberalization, enterprises' environmental and even social performance is increasingly part of consumers' and corporate clients' decision-making. Enterprises have to display vision in order to respond quickly to changing market needs in time with ever-shorter development and commercialization cycles. Under its third SDS, the Agency continues to raise enterprises' awareness and encourage them to adopt new business practices which translate, among other things, into the establishment of tangible pollution prevention and greening measures, in order to help them maintain and reinforce their competitiveness.

The table on the following page points out the commitments that must be met by December 2006, at which time the Agency will table its fourth SDS.

SUSTAINABLE DEVELOPMENT STRATEGY

Action Plan 2003-2006

<p>1. INTERNAL COMPONENT</p> <p>Goal To make the Sustainable Development Strategy a tool for change within the organization to further integrate sustainable development concerns in day-to-day operations.</p> <p>Objectives</p> <ul style="list-style-type: none"> ■ empower staff ■ promote sustainable development ■ continue greening ■ ensure better environmental reporting. 	<p>2. EXTERNAL COMPONENT</p> <p>Goal To play a strategic role in advancing understanding and taking ownership of the principles of <i>cost-effective sustainable development</i> within SMEs, the regions of Quebec and with the Agency's different partners, both private and public in a perspective of financial, economic and social viability.</p> <p>Objectives</p> <ul style="list-style-type: none"> ■ encourage and help SMEs to adopt sustainable development practices in their operations ■ foster development and commercialization of innovations in sustainable development ■ foster development, dissemination and sharing of knowledge with respect to sustainable development to contribute to development and reinforcement of knowledge-based competitive advantages.
<p>3. IMPLEMENTATION OF THE SDS — PARTNERSHIPS</p> <p>Objective Reinforce existing partnerships and better co-ordinate Agency efforts with the different federal partners in Quebec.</p>	

The *Sustainable Development Strategy - Action Plan 2003-2006* may be consulted on the Web at http://www.dec-ced.gc.ca/Complements/Publications/Strategie-EN/SDD_2003-2006_en.pdf?action=click&pid=PDF&uid=SiteWeb.

6.5 Official Languages

The Agency intends to contribute actively to achievement of the objectives of the *Official Languages Act*, particularly those of Part VII which concern the vitality of minority official language communities. The Agency will develop, in consultation with these communities, a new action plan for the next three years in order to contribute to their economic development in line with its regular programming.

The Agency will contribute to interdepartmental initiatives and reinforcement of partnerships, notably by participating in the National Human Resources Development Committee for the English Linguistic Minority and being actively involved in its deliberations and activities with regard to economic diversification. The Agency will also take part in meetings of national co-ordinators of Section 41 of the *Act*.

The Agency, in partnership with Industry Canada's regional office, will ensure implementation of part of the economic component of the *Government's Action Plan for Official Languages*, through the development of pilot projects for telelearning and teletraining, and internships in fields related to its mandate. The Agency will also aim to sign a memorandum of understanding with Canadian Heritage under the Interdepartmental Partnership with the Official-Language Communities (IPOLC).

7 ORGANIZATION

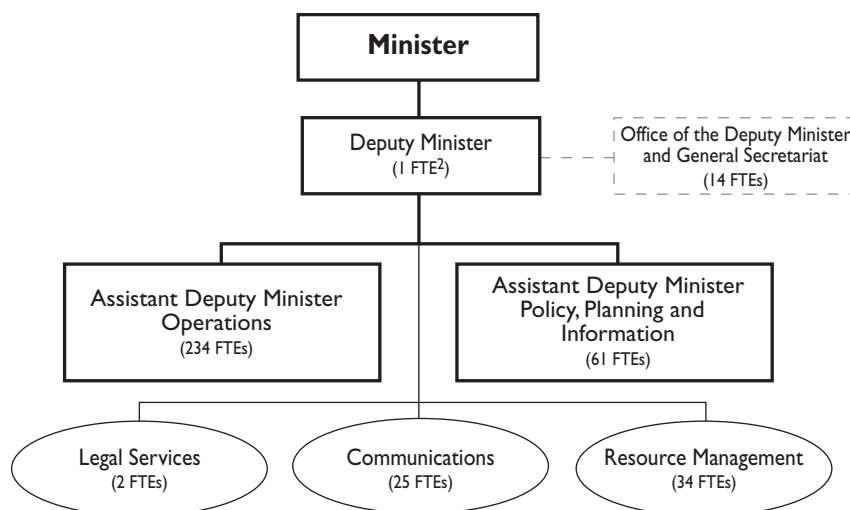
The Honourable Jacques Saada is Minister of the Economic Development Agency of Canada for the Regions of Quebec. The Deputy Minister is responsible for day-to-day management of Agency activities on behalf of the Minister, to whom she reports. She also acts as senior policy advisor to the Minister and the Government.

The Agency has a single business line: promotion of the economic development of the regions of Quebec.

The Assistant Deputy Minister, Policy, Planning and Information is responsible for defining the Agency's strategic approach and the objectives of its intervention, the conduct of socio-economic studies required to develop policy thrusts, management of the quality system, and performance measurement and monitoring of programs and initiatives. She also puts forward the Agency's position in the development of national policies and programs and promotes Quebec's regional interests within the federal government machinery. In addition, she is responsible for relations with the Government of Quebec.

The Assistant Deputy Minister, Operations has the mandate to deliver all Agency programs and services, primarily through a network of 14 business offices in the regions covering the whole of Quebec (see list of business offices in Section 8.3).

Organization chart of Canada Economic Development¹



Notes:

- 1 A more complete version of the Agency's Organization Chart is available at <http://www.dec-ced.gc.ca/asp/APropos/Organigramme.asp?LANG=EN>
- 2 FTE = Full-time equivalent employee

For 2004-2005, the Agency has the equivalent of 371 full-time employees (FTEs) assigned to its 14 business offices, a liaison office in Gatineau, an office devoted to implementation of the Infrastructure Canada Program, and its head office in Montreal.

As the table below shows, the Agency's grants and contributions budget totals \$851 million for 2004-2005 — 2006-2007.

Planned grants and contributions expenditures by strategic outcome for the planning period

Planned grants and contributions (\$ millions)	Strategic outcomes		
	Core mandate		Special mandate
Business line	Enterprise development	Improvement of the environment for economic development of the regions	Development and renewal of community infrastructure
Promotion of the economic development of the regions of Quebec	290	239	322

Note:

The figures above show only grants and contributions expenditures, and do not include statutory expenditures under the *Small Business Loans Act* (SBLA) and the *Canada Small Business Financing Act* (CSBFA).

In 2004-2005, 361 full-time equivalent employees (FTEs) will be devoted to implementation of the first two strategic outcomes, which constitute the Agency's core mandate, including general support for Agency operations. The Agency cannot break down the number of FTEs whose work is attributable to *Enterprise development* or *Improvement of the environment for economic development of the regions*, since a large number of the same employees work toward the attainment of both results at the same time.

Ten FTEs will be working in the office devoted to delivery of the Infrastructure Canada Program targeting attainment of the Agency's third strategic outcome: *Development and renewal of community infrastructure*. This office also benefits from general services in support of Agency operations (legal services, communications, resource management, etc.), for which the employees were reported under implementation of the Agency's other two strategic outcomes.

Planned spending

(\$ thousands)	Forecast spending 2003-2004	Planned spending 2004-2005	Planned spending 2005-2006	Planned spending 2006-2007
Budgetary <i>Main Estimates</i> (gross) ¹	447,311	428,091	357,492	186,698
Non-budgetary <i>Main Estimates</i> (gross)	—	—	—	—
Less: Respendable revenue	—	—	—	—
Total Main Estimates	447,311	428,091	357,492	186,698
Adjustments ²	51,966	-150	-125	-125
Net planned spending³	499,277	427,941	357,367	186,573
Less: Non-respendable revenue ⁴	-40,500	-20,500	-20,500	-20,500
Plus: Services received without charge	5,278	5,235	4,844	4,655
Net program cost	464,055	412,676	341,711	170,728
Full-time equivalents (FTEs)	378	371	299	284

Notes:

- 1 The smaller budget in 2004-2005 is attributable to the fact that service charges with respect to the *Small Business Loans Act* (SBLA) and the *Canada Small Business Financing Act* (CSBFA) will no longer be reported in the Agency's accounts. For 2005-2006, the decrease is primarily due to the termination of credits voted under the Canada Jobs Fund. The end of the Infrastructure program explains the reduction in 2006-2007.
- 2 Adjustments in 2003-2004 primarily reflect additional funds received in the Supplementary Estimates concerning such new initiatives as the Adjustment Measures for Quebec Fishing Communities and additional funding provided to the Agency for our contribution programs.
- 3 This figure reflects the best forecast of total net planned spending to the end of the current fiscal year.
4. Non-respendable revenue consists mainly of loan guarantee service charges and refunds of previous years' expenditures. Details of non-respendable revenue are presented in Section 8.1.3.

8 APPENDICES

8.1 Financial tables and program information

Only financial tables applying to the Agency are presented in the following pages.

8.1.1 Summary of transfer payments

(\$ thousands)	Forecast spending 2003-2004	Planned spending 2004-2005	Planned spending 2005-2006	Planned spending 2006-2007
Grants				
Innovation, development entrepreneurship and access program (IDEA) for SMEs	300	300	300	300
Grant to Grand Prix F1 of Canada Inc.	6,000	—	—	—
Total grants	6,300	300	300	300
Contributions				
Core mandate				
Innovation, development entrepreneurship and access program (IDEA) for SMEs	73,321	79,301	50,347	51,700
Regional Strategic Initiatives Program	93,226	109,350	83,500	81,530
Canadian Support Program for the Gaspésie— Îles-de-la-Madeleine Economy	57,000	11,500	500	—
Community Futures Program	24,000	24,000	18,500	18,500
Total, core mandate	247,547	224,151	152,847	151,730
Special mandate				
Infrastructure Canada Program - Canada-Quebec Agreement 1994	2,056	—	10,000	—
Infrastructure Canada Program - Canada-Quebec Agreement 2000	157,962	155,959	155,842	—
Total, special mandate	160,018	155,959	165,842	—
Total contributions	407,565	380,110	318,689	151,730
Statutory programs				
Obligations under the <i>Small Business Loans Act</i> (SBLA) ¹	11,300	—	—	—
Obligations under the <i>Canada Small Business Financing Act</i> (CSBFA) ¹	24,600	—	—	—
Total, statutory programs	35,900	—	—	—
Total transfer payments	449,765	380,410	318,989	152,030

Note:

1 The Department of Industry is responsible for application of the SBLA and the CSBFA, including all administrative arrangements, but the costs of these programs in Quebec are included in Agency accounts until March 31, 2004.

8.1.2 Main programs and initiatives and information on transfer payment programs

Financial assistance programs associated with the Agency's core mandate

Innovation, development entrepreneurship and access program (IDEA) for SME's

Contributions and grants (<i>\$ thousands</i>)			
Forecast spending 2003-2004	Planned spending 2004-2005	Planned spending 2005-2006	Planned spending 2006-2007
73,621	79,601	50,647	52,000

Objective

To foster the growth of business generated by enterprises by facilitating, among other things, access to relevant information, awareness of enterprises' development issues, establishment of strategic enterprises, and consolidation of enterprises' competitiveness through new business practices, innovation and marketing.

Planned strategic outcome

enterprise development.

Planned results

- increase in awareness of innovation, commercialization and entrepreneurship
- increase in identification and integration of new technology
- increase in marketing of products arising out of innovation
- increase in enterprises' productivity with a view to making them more competitive on the international scene
- enhancement of natural resources in regions whose economy is heavily resource-based
- increase in SMEs' activities on international markets and consolidation of exporting SMEs' position
- emergence of initiatives aimed at enterprise startups and improvement in the business climate.

Benefits

The program fosters realization of the economic development potential of the regions of Quebec, with a view to the enhancement of prosperity and sustainable employment in the long term.

For information:

http://www.dec-ced.gc.ca/asp/ProgrammesServices/prg_idee_pme.asp?LANG=EN#1

Regional Strategic Initiatives Program

Contributions (<i>\$ thousands</i>)			
Forecast spending 2003-2004	Planned spending 2004-2005	Planned spending 2005-2006	Planned spending 2006-2007
93,226	109,350	83,500	81,530

Objective

To support activities in response to major issues identified in various Quebec regions through a process of consultation, joint action, mobilization and follow-up involving various local economic agents. The program first aims to increase technological capability so as to encourage the use of the most appropriate technologies and their adaptation by SMEs; it also helps develop the regions' tourist attraction potential as well as increasing the attraction capability of international activities. In addition, the program is used to support the regions in their efforts to adjust to the new global economic environment, particularly in rural areas.

Planned strategic outcome

enterprise development, improvement of the environment for economic development of the regions.

Planned results

- increase in the use of new technology by SMEs
- increase in the number of foreign tourists in the regions
- increase in the number of foreign visitors at different international events
- increase in the number of projects concerning the regions' adjustment to the new global economic environment, particularly in rural areas.

Benefits

The program fosters realization of the economic development potential of the regions of Quebec, with a view to the enhancement of prosperity and sustainable employment in the long term.

Community Futures Program

Contributions (\$ thousands)			
Forecast spending 2003-2004	Planned spending 2004-2005	Planned spending 2005-2006	Planned spending 2006-2007
24,000	24,000	18,500	18,500

Objective

Funding of 57 Community Futures Development Corporations and nine Business Development Centres in designated rural and semi-urban regions in Quebec, as well as 14 Community Economic Development Corporations in disadvantaged urban areas of the province. The CFP ensures delivery of various services, such as access to federal programs and services, access to financial resources for enterprises, economic diversification and partnerships in order to foster the development of communities and create outlets for young people in designated regions.

Planned strategic outcomes

enterprise development, improvement of the environment for economic development of the regions.

Planned results

- increased access to federal programs and services by designated communities
- startup and expansion of small enterprises leading to job creation in designated communities
- creation of small enterprises headed by young people aged 18-35
- increase in designated communities' capability to energize the development of their economy.

Benefits

- support services for small enterprises and designated communities geared to specific local needs
- communities take charge of their own economic development.

For information:

<http://www.dec-ced.gc.ca/asp/ProgrammesServices/PDC.asp?LANG=EN>

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

Contributions (\$ thousands)			
Forecast spending 2003-2004	Planned spending 2004-2005	Planned spending 2005-2006	Planned spending 2006-2007
57,000	11,500	500	-

Objective

Special five-year measure (2000-2001 to 2005-2006) to improve the economic situation in the Gaspésie—Îles-de-la-Madeleine region. The program is in addition to the Agency's regular activities, giving priority to enhancement of federal infrastructure, development of medium-sized enterprises, young people, local empowerment and emerging initiatives.

Planned strategic outcome

enterprise development, improvement of the environment for economic development of the regions.

Planned results

- improved access to infrastructure and increased traffic and commercial revenues at the Port of Gaspé
- upgrading of infrastructure and maintenance of tourist traffic at Forillon National Park
- startup and expansion of enterprises leading to job creation
- creation of small enterprises headed by young people aged 18-35
- raising of awareness and empowerment of local stakeholders
- enhancement of entrepreneurship
- completion of projects with a strategic economic impact in the region.

Benefits

The program fosters realization of the economic development potential of the Gaspésie—Îles-de-la-Madeleine region, with a view to enhancement of prosperity and sustainable employment.

For information:

http://www.dec-ced.gc.ca/asp/ProgrammesServices/PCAEGIM_Gaspesie.asp?LANG=EN

Financial assistance programs associated with the Agency's special mandate

Infrastructure Canada Program (*Canada-Quebec Agreement signed on October 20, 2000*)

Contributions (\$ thousands)			
Forecast spending 2003-2004	Planned spending 2004-2005	Planned spending 2005-2006	Planned spending 2006-2007
157,962	155,959	155,842	-

Objective

To upgrade urban and rural municipal infrastructure in Quebec and enhance Canadians' quality of life, through investment that raises the quality of the environment, supports long-term economic growth, upgrades community infrastructure and builds 21st-Century infrastructure by adopting best technology, new approaches and best practices.

Planned strategic outcome

development and renewal of community infrastructure.

Planned results

- quality of the environment: improvement in drinking water quality; cleaner air; better water and wastewater management; improvement of solid waste management; more effective use of energy
- support for economic growth: increased avenues for economic development in communities; increased user safety and smoother flow of individuals and goods; better access by public institutions and remote and rural regions to the new economy through telecommunications; increase in tourism potential
- upgrading of community infrastructure: enhancement of safety in communities; promotion and development of culture and heritage; increased access to local recreational facilities
- building 21st-Century infrastructure: encouragement of innovation — increase in partnerships; use of new approaches and best practices; more efficient use of existing infrastructure.

For information:

http://www.infrastructure.gc.ca/icp/partners/qc_ip_e.shtml

Other Agency initiatives in support of economic development agents

The tools available to the Agency for promoting the economic development of the regions are not restricted to financial assistance provided through the transfer payment programs described above. In many cases, the mere availability of financial support programs would prove insufficient to move forward some economic development projects that are among the most promising for the regions. In fact, a substantial part of Agency support for economic development agents takes the form of non-financial assistance. In the Agency's actual operations, financial and non-financial support frequently go hand in hand, constituting two complementary, closely linked facets of the same intervention. The Agency provides non-financial support to enterprises, business assistance organizations, development assistance agencies and managers of assets with community spinoffs (these economic development players are defined in the table presented in section 3.1).

Non-financial support granted by Canada Economic Development is a service provided by an Agency staff member to an economic development agent with a view to promoting development. Non-financial support generally involves a wealth of information, knowledge and knowhow, and provides a benefit which, while not of a monetary nature, proves invaluable for development agents in improving how they conduct their affairs.

In a results-based management perspective, the Agency's various forms of non-financial support are distinguished by the nature of their objectives and the planned results. The three categories of non-financial support provided by the Agency are presented below. They are associated with fulfilment of the Agency's core mandate, that is, the strategic outcomes *Enterprise development* (SO #1) and *Improvement of the environment for economic development of the regions* (SO #2).

Empowerment of economic development agents

Objectives

Provision of information

Make timely information more easily accessible and usable for informed decision-making by development agents.

Awareness-raising process

Offer development agents means and opportunities to learn about the scope of the issues facing them.

Non-financial support for development of capabilities

Offer development agents means and opportunities to acquire and achieve better command of competencies and knowhow in various specialized fields.

Non-financial support for development of networks of business partners

Offer development agents means and opportunities to reinforce and broaden their networks of business partners.

By way of illustration, in concrete terms, the empowerment services identified above take the form of participation by Agency personnel in the dissemination of studies and the organization and staging of workshops, seminars, learning-sharing groups (in sustainable development, for instance) and business networking events, etc.

Planned results

- more productive, better informed decisions made by economic development agents in light of information received
- appropriate strategies and action plans implemented by development agents to face the issues of which they have been made aware, when they consider these issues to be relevant to them
- adoption and mastery of more productive, more effective management tools and practices in enterprises and organizations which have received non-financial support for development of their capabilities
- broadening of networks of business partners, enhancement of their strategic value, and more effective use of networks of business partners by development agents which have received non-financial support for development of these networks.

Guidance

Objectives

Provision of advice and guidance process

Help an economic development agent design and fine-tune policy directions, a strategy, a business plan, an action plan or a project, or help it plan a financial package, identify financing sources, etc. At the Agency, provision of advice by a staff member and a guidance process are services provided to a development agent on an individual basis, in line with its specific situation. Advice is provided on an ad-hoc basis. A guidance process means systematic, sustained, prolonged assistance, at various stages in the development agent's path toward designing and carrying out its project.

Initiation of projects with strategic impact

Identify development potential and, to follow up on it, take the initiative of launching design and implementation of a project of strategic impact for a region's economic development, a strategy or a plan. Initiation of such a project by Agency staff is an exercise in mobilization and joint action involving the local and regional economic milieu, in close co-operation with other development agents.

Planned results

- enhanced strategies and plans, presenting greater economic development potential; action plans implemented
- implementation of projects of special strategic value for economic development of a community or region.

Assistance for participation of the local economic milieu

Objectives

Assistance to the local economic milieu to participate in development decisions

Facilitate local participation in defining Agency and Government of Canada priorities and policy with respect to regional economic development.

Assistance to the local economic milieu to put forward regional issues

Help the local milieu document and raise government decision-makers' awareness of regional issues.

This local and regional non-financial support is provided through the Agency's permanent presence in each region of Quebec, its participation in the different forums and events highlighting the economic development of each region, its active listening to communities' concerns, its support for the organization of regional consultations and ministerial tours, and its approaches and advocacy within the Government of Canada.

Planned results

- local milieu consulted
- local concerns taken into account in the drafting of Government of Canada and Agency policy and priorities with respect to economic development.

8.1.3 Source of non-respendable revenue

Non-respendable revenue (\$ thousands)	Forecast revenue 2003-2004	Planned revenue 2004-2005	Planned revenue 2005-2006	Planned revenue 2006-2007
<i>Promotion of the economic development of the regions of Quebec</i>				
Service charges - loan guarantees ¹	20,000	—	—	—
Recovery of expenditures from previous fiscal years ²	20,500	20,500	20,500	20,500
Total non-respendable revenue	40,500	20,500	20,500	20,500

Notes:

- 1 This item represents charges paid by approved lenders under the *Small Business Loans Act* and the *Canada Small Business Financing Act*. Effective April 1, 2004, service charges will be included in Industry Canada's accounts.
- 2 This item refers primarily to the reimbursement of repayable contributions made by the Agency.

8.1.4 Net cost of program for year covered by Estimates

Promotion of the economic development of the regions of Quebec	Net cost of program for 2004-2005 (\$ thousands)
Net planned spending	427,941
<i>Plus: Services received without charge</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	2,985
Contributions to employees' insurance plans and expenditures paid by the Treasury Board Secretariat (TBS)	1,990
Salaries and associated expenditures for legal services provided by Justice Canada	260
	<u>5,235</u>
<i>Less: Respendable revenue</i>	—
<i>Less: Non-respendable revenue</i>	-20,500
Net cost of program for 2004-2005 (total planned spending)	412,676

8.2 Horizontal initiatives to which the Agency contributes

Within the framework of its economic development mandate, the Agency participates in the implementation of several of the Government's horizontal initiatives, involving its network of business offices across Quebec.

Many of the outcomes targeted by the Government of Canada require the contribution of two or more departments. This section presents the programs with which the Agency is associated under co-operation agreements with other federal departments or agencies or with the Government of Quebec. More detailed tables on horizontal initiatives are presented in the Reports on Plans and Priorities of the departments responsible. All tables on horizontal initiatives are posted on the Treasury Board Secretariat's Web site at http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hr-rh_e.asp.

Infrastructure Canada Program

Implemented under an agreement with the Government of Quebec signed in October 2000, this program targets renovation, replacement and construction of infrastructure (Sections 5.1.2 and 8.1.2, Financial assistance program associated with an Agency special mandate).

Softwood Industry and Community Economic Adjustment Initiative contribution program

The Softwood Industry and Community Economic Adjustment Initiative contribution program is a special initiative under the responsibility of Industry Canada whose implementation falls to the regional development agencies. Its goal is to generate long-term economic spinoffs in the regions and communities affected by the lumber trade dispute, primarily by supporting projects to reinforce community capabilities, diversify local economies and enhance productivity. The main planned results from the initiative are increased use of new technology, diversification of the economies of communities dependent on softwood lumber, enhanced viability and autonomy for the communities and development of community action plans as well as development of local leadership with regard to development.

Canadian Apparel and Textile Industries Program

Through the IDEA-SME program, the Agency is implementing part of the new Canadian Apparel and Textile Industries Program (CATIP) established by Industry Canada to help those industries adjust to the potential effects of the "Access to markets granted to least developed countries" initiative. Apparel and textile enterprises in Quebec can thus benefit from contributions to carry out projects aimed at diversifying their markets and enhancing their competitiveness.

For information:

<http://www.dec-ced.gc.ca/asp/ProgrammesServices/PICTV.asp?LANG=EN>

Adjustment Measures for Quebec Fishing Communities

In an approach involving horizontal federal intervention, the Agency has joined with other federal departments and agencies, notably Human Resources and Skills Development Canada and Fisheries and Oceans Canada, to assist communities affected by the reduction in fishing activity as a result of the cod moratorium and restrictions on the crab fishery. Through the RSI program, the Agency will support projects leading in the short term to the creation of employment in those communities.

For information:

http://www.dec-ced.gc.ca/asp/NouveauSurSite/Annonce_speciale.asp?LANG=EN

Program for Export Market Development

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 on capital projects abroad.

The Department of International Trade Canada is responsible for PEMD budgets and spending. By agreement with ITCan, and in direct association with its economic development mandate, the Agency administers the program for enterprises in Quebec regions.

For information: <http://www.dfait-maeci.gc.ca/pemd/menu-en.asp>

Social economy support measures

The Agency is to work with Industry Canada and the other regional development agencies to set up new social economy support measures announced in Budget 2004 in March aimed at the funding and capacity-building of enterprises and organizations in that sector.

8.3 Canada Economic Development business offices

Abitibi-Témiscamingue

906 5th Avenue
Val-d'Or, Quebec J9P 1B9
Tel.: (819) 825-5260 • 1 800 567-6451
Fax: (819) 825-3245

Bas-Saint-Laurent

Édifice Trust Général du Canada
2 Saint-Germain Street East, Suite 310
Rimouski, Quebec G5L 8T7
Tel.: (418) 722-3282 • 1 800 463-9073
Fax: (418) 722-3285

Centre-du-Québec

Place du Centre
150 Marchand Street, Suite 502
Drummondville, Quebec J2C 4N1
Tel.: (819) 478-4664 • 1 800 567-1418
Fax: (819) 478-4666

Côte-Nord

701 Laure Blvd.
Suite 202B, P.O. Box 698
Sept-Îles, Quebec G4R 4K9
Tel.: (418) 968-3426 • 1 800 463-1707
Fax: (418) 968-0806

Estrie

Place Andrew Paton
65 Belvédère Street North, Suite 240
Sherbrooke, Quebec J1H 4A7
Tel.: (819) 564-5904 • 1 800 567-6084
Fax: (819) 564-5912

Gaspésie—Îles-de-la-Madeleine

Place Jacques-Cartier
120 De la Reine Street, 3rd Floor
Gaspé, Quebec G4X 2S1
Tel.: (418) 368-5870 • 1 866 368-0044
Fax: (418) 368-6256

Île-de-Montréal

3340 De l'Assomption Blvd.
Montreal, Quebec H1N 3S4
Tel.: (514) 283-2500
Fax: (514) 496-8310

Laval—Laurentides—Lanaudière

Tour Triomphe II
2540 Daniel-Johnson Blvd., Suite 204
Laval, Quebec H7T 2S3
Tel.: (450) 973-6844 • 1 800 430-6844
Fax: (450) 973-6851

Mauricie

Immeuble Bourg du Fleuve
25 des Forges Street, Suite 413
Trois-Rivières, Quebec G9A 2G4
Tel.: (819) 371-5182 • 1 800 567-8637
Fax: (819) 371-5186

Montérégie

Complexe Saint-Charles
1111 Saint-Charles Street West, Suite 411
Longueuil, Quebec J4K 5G4
Tel.: (450) 928-4088 • 1 800 284-0335
Fax: (450) 928-4097

Nord-du-Québec

Tour de la Bourse
800 Square Victoria
Suite 3800, P.O. Box 247
Montreal, Quebec H4Z 1E8
Tel.: (514) 283-8131 • 1 800 561-0633
Fax: (514) 283-3637

Outaouais

259 Saint-Joseph Blvd., Suite 202
Gatineau, Quebec J8Y 6T1
Tel.: (819) 994-7442 • 1 800 561-4353
Fax: (819) 994-7846

Québec—Chaudière-Appalaches

Édifice John-Munn
112 Dalhousie Street, 2nd Floor
Quebec, Quebec G1K 4C1
Tel.: (418) 648-4826 • 1 800 463-5204
Fax: (418) 648-7291

Saguenay—Lac-Saint-Jean

170 Saint-Joseph Street South, Suite 203
Alma, Quebec G8B 3E8
Tel.: (418) 668-3084 • 1 800 463-9808
Fax: (418) 668-7584

CORPORATE SERVICES

Tour de la Bourse
800 Square Victoria
Suite 3800, P.O. Box 247
Montreal, Quebec H4Z 1E8
Tel.: (514) 283-6412
Fax: (514) 283-3302

Place du Portage, Phase II
165 Hôtel-de-Ville Street
P.O. Box 1110, Station B
Gatineau, Quebec J8X 3X5
Tel.: (819) 997-3474
Fax: (819) 997-3340

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