

Canada Economic Development for Quebec Regions

2019–20

Departmental Results Report



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Minister of Economic Development and
Official Languages

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Minister's message

It is our pleasure to present the 2019-20 Departmental Results Report for Canada Economic Development for Quebec Regions (CED). As the Department continues to mobilize industry and the research community to confront the COVID-19 pandemic, the various organizations in the ISED Portfolio have coordinated their efforts to position Canada as a global innovation leader and shape an inclusive economy for all Canadians.



Together with the other regional development agencies, CED continued to implement the *Regional Economic Growth through Innovation* (REGI) program in 2019-2020, a strategic component of *Canada's Innovation and Skills Plan*. This program supports business growth and innovation to help regions diversify and build stronger, more innovative communities across Canada.

By participating in the promotion of sustainable and inclusive economic growth, an entrepreneurial environment conducive to innovation, and the economic assets of Quebec's regions, CED has made a significant contribution to the achievement of the portfolio's objectives. Its targeted and strategic interventions continue to give Quebec's small and medium-sized enterprises (SMEs) the means to position themselves in the economy of tomorrow.

These are just a few examples of CED's work on behalf of Canadians regardless of their background, region or generation. We invite you to read this report to learn more about how we are. We invite you to read this report to learn more about CED's ongoing efforts to support the growth and expansion of Quebec SMEs and help them become more productive, competitive, and innovative.

Institutional Head's message

I am pleased to present the *2019-20 Departmental Results Report* of Canada Economic Development for Quebec Regions (CED). This annual report outlines our achievements and provides an assessment of the progress made in achieving the objectives set out in our *Departmental Plan*.

CED is a federal organization that is close to Quebec businesses and communities. Our work highlights the importance of the regions and the diversity of their needs and economic realities.

In 2019-2020, for the second year in a row, we continued to implement the priorities of *Canada's Innovation and Skills Plan*, namely support for regional innovation ecosystems; business growth and expansion; clean technologies; and inclusive growth. By investing in the pursuit of long-term objectives, CED ensures that it works in continuity with its mandate, while offering the regions of Quebec programs and initiatives that meet their needs.

The end of the 2019-2020 fiscal year was marked by the outbreak of the Covid-19 pandemic and by the social and economic repercussions of the physical distancing measures decreed by governments. We quickly adapted our operations and mobilized resources to deploy new measures to support businesses suffering the effects of the pandemic. This economic recovery effort continues to this day.

Once again, this year, CED's sustained efforts with Quebec businesses and communities have generated tangible results, which I invite you to discover by reading through this report. You will be able to measure how far we have come in one year to build the economy of tomorrow and to make a concrete contribution to Canada's long-term economic growth and prosperity.

I hope you enjoy reading it.



Results at a glance and operating context

Funds used (Actual spending in 2019-20)	Staff (Full-time equivalents [FTEs] 2019-20)
324,622,726	334

CED invested 100% of its grants and contributions (G&C) budget, that is \$278.8M, to support the implementation of 1,128 projects in all regions of Quebec. This financial aid had a significant leverage effect: on average, each dollar invested by CED generated an additional investment of \$3.84 from other sources.

In 2019, Quebec's economy posted strong growth; in fact, GDP growth was greater than that reported in Canada as a whole. Of particular note was the remarkable increase in employment, with an unemployment rate of 5.1% and accelerated wage growth; the growth in exports due to the strong performance of the U.S. and global economies; the rise, albeit more moderate, in investment; and finally, the strength of the housing market. Thus, before the outbreak of the COVID-19 pandemic at the end of the 2019–2020 fiscal year, the Quebec economy was in full swing.

However, some challenges were apparent. In addition to the uncertainty surrounding global trade, the Quebec economy continued to face internal challenges: recruitment issues in certain sectors and regions; slow productivity growth; an entrepreneurial deficit; delays in the adoption of innovative processes and digital technologies; and limited sources of growth for remote communities. Indeed, many communities that are far from major urban centers have undiversified economies and depend on opportunities arising from a single sector, such as natural resource development or tourism. As a result, these communities remain more sensitive to economic fluctuations.

Within this context, CED continued to work with its network of federal, provincial and regional collaborators in 2019–2020 to provide the regions of Quebec with programs and initiatives that meet their needs and help them enhance their economic assets, diversify, and develop their full growth potential.

Besides implementing its programs and various government initiatives, CED also focused on five priorities. The following paragraphs provide an overview of the results achieved for each of these priorities.

1. Strengthen regional ecosystems that support innovative businesses

Young innovative businesses (start-ups) are key players in Quebec's innovation ecosystem. As a partner, facilitator and convener that relies on innovation as a lever for economic development, CED plays a central role in supporting these start-ups. This support took various forms in 2019–2020: the CED the [*CED Fast Forward Challenge*](#)ⁱ, the continued implementation of the [*Regional Economic Growth through Innovation \(REGI\)*](#)ⁱⁱ national program, and the launch of the *Incubators and Accelerators Driven by Excellence* (IADE) Initiative, are just a few examples.

Launched in May 2019, the IADE will strengthen our synergy with the business incubators and accelerators in Quebec that provide crucial support for start-ups at all stages of their existence and act as nurseries for talent and innovation. In 2019-2020, five incubators and accelerators had their projects approved and will benefit from a total of \$12 million in funding over four years.

CED also supported 54 organizations with a view to strengthening regional innovation ecosystems through the REGI program; these included industrial clusters and organizations that assist with the development of small and medium-sized businesses (SMEs). One example is the *Quartier de l'innovation de Montréal*, which supports co-operation and experimentation between the entrepreneurial and academic communities and the citizens of Montreal.

2. Support the growth and expansion of businesses, particularly those with high potential

CED provided \$155 million in direct financial support to 705 SMEs to support their growth. Every dollar invested by CED will generate an additional investment of \$6.84. Furthermore, 62 organizations also benefited from a total of \$30 million in CED funding. This financial assistance will help SMEs increase their productivity, commercialize new products, expand, and diversify their markets.

3. Support clean economic growth

CED's target was to invest a minimum of \$25 million in clean technology in 2019–2020. In fact, CED far exceeded this goal, investing nearly \$42 million in 161 projects aimed at improving environmental performance, using less energy-intensive technologies or developing technologies to reduce companies' environmental footprint.

4. Contribute to inclusive growth by supporting women entrepreneurs and Indigenous peoples

CED works with all groups and communities in Quebec and took concrete steps in 2019–2020 to strengthen the implementation of its inclusive vision of economic development. The following are a few examples:

- A total of \$43.4 million for 112 approved projects by SMEs belonging primarily to members of one of the five target groups (women, Indigenous peoples, youth, visible minorities and persons with disabilities), as well as with organizations that promote the economic development of entrepreneurs from these groups. These projects will generate an investment of \$124 million by various stakeholders.
- 24 projects approved for a total of \$16 million under the [Women Entrepreneurship Strategy \(WES\)](#)ⁱⁱⁱ. These projects will generate an investment of \$20.7 million by various stakeholders.
- 27 projects approved for a total of \$10.6 million to support Indigenous communities. These projects will generate an investment of \$86.3 million by various stakeholders.

5. Pursue the Horizon 2021 initiative

CED continued to implement its *Horizon 2021 Initiative*, in which it committed to being innovative in the way it does business, delivers its services and meets the public's expectations. In this regard, a sustained effort was made in 2019–2020 to carry out various projects, such as the CORTEX grants and contributions system, the [CED Fast Forward Challenge](#)^{iv}, the *Innovation Incubator Initiative* and CED's digital strategy.

For more information on CED's plans, priorities and results achieved, see the "Results: what we achieved" section of this report.

Results: what we achieved

Core responsibility

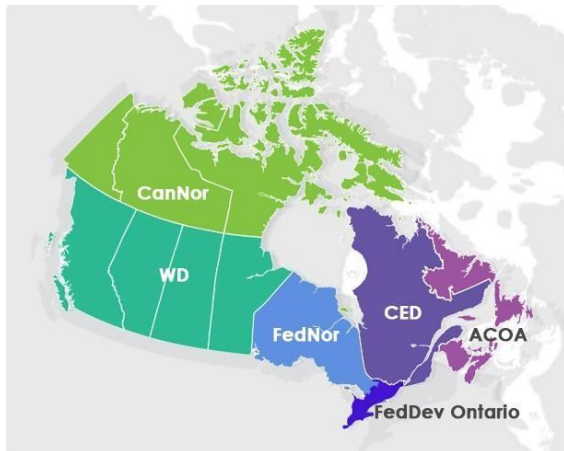
Developing Quebec's economy

Description:

Support Quebec economic growth, job creation and economic prosperity through inclusive clean growth; help SMEs growth through trade and innovation; and build on competitive regional strengths.

Results:

CED and the other five regional development agencies (RDAs) work together to contribute—within the confines of their respective mandates—to the economic development of all regions of Canada.



To measure progress with respect to the achievement of its core responsibility, CED seeks to contribute to, and influence, the three departmental results below.

The previously mentioned priorities all support, to varying degrees and in a complementary manner, the achievement of these three departmental results.

Departmental Result 1: Businesses are innovative and growing in Quebec

CED pursued the implementation of the [Regional Economic Growth through Innovation \(REGI\)^v](#) national program in Quebec. Delivered by the various RDAs, this program targets the economic growth of businesses and the regions through innovation. RDAs represent one of the government's four flagship platforms to support innovation, and they coordinate their efforts with the National Research Council of Canada (NRC), the Trade Commissioner Service of Canada (TCS), and Innovation Canada

In 2019–2020, an additional \$15 million was made available to the regions of Quebec to support regional innovation ecosystems and help SMEs grow, export to new markets and adopt new technologies and processes. Through its regular funds and the additional \$15 million received, CED approved 165 new projects that have an innovative component, thus far exceeding the established target of 100 projects. Again through the REGI program, CED and the other RDAs implemented the [Steel and Aluminum Initiative^{vi}](#), this funding is part of a broader effort to strengthen the productivity and

competitiveness of SMEs operating in this sector. CED invested the entire budget of \$26.2 million in 38 businesses involved in the Canadian steel and aluminum supply chain, to allow them to make strategic investments and boost their productivity and competitiveness.

CED also continued to support for partnership projects between contractors and businesses, thus contributing to their economic growth. As part of the *Industrial and Technological Benefits* (ITB) policy, CED organized tours and industrial days to promote the capacities of Quebec businesses and research centers. In addition, CED participated in more than twenty networking events, including trade shows and trade missions, always with a view to maximizing the industrial and technological spinoffs generated by the Government of Canada's major acquisition projects in the land sector, as well as in the aerospace, marine and security sectors.

Through its funding for the *Centre québécois de développement durable*, CED has helped regional SMEs improve their productivity and build their capacity to meet the requirements of prime contractors in Quebec by adopting sustainable development–related concepts in their operations. Some 50 or so SMEs will receive support to conduct a diagnosis and develop a sustainable development strategy. Among other things, the projects support a study on the sustainable development expectations and requirements of the international markets targeted by regional SMEs, and the development of strategies to facilitate the transfer of expertise to businesses.

Example of a Project Supported by CED

Entreprise Lefebvre Industri-AL is a family-owned Baie-Comeau company specializing in the recovery, treatment and reclamation of various alloy residues.

The repayable contribution of \$1.7 million will allow the business to diversify its operations by introducing an innovative and non-polluting aluminum scum recovery technology developed by the company itself. This new process will completely eliminate the need to landfill residues and will enable the recovery of all the by-products of aluminum recycling and significantly limit the creation of greenhouse gases.

Departmental Result 2: Communities are economically diversified in Quebec

Economic diversification

CED signed new five-year agreements with 67 Community Futures Development Corporations (CFDCs) and Business Development Centres (BDCs) in Quebec. This co-operation under the [Community Futures Program \(CFP\)](#)^{vii} make their services accessible to a larger number of businesses and in new areas. Furthermore, these new agreements were enhanced to better meet the needs of rural communities, notably through the addition of new funds and significant changes as concerns the delivery of their services. Specifically, the changes aim to better match needs with financial resources allocated according to socio-economic indicators, thus providing even more support for the most vulnerable communities. A recent evaluation shows that the CFP continues to contribute to the achievement of results associated with business funding and support services, including the strengthening of business practices, stability and economic growth; job creation; and the diversification of rural economies.

CED also funded a number of ad hoc initiatives aimed at supporting rural and remote regions, including the [Canadian Experiences Fund \(CEF\)](#)^{viii}. The CEF has a budget of \$11.5 million over two years (2019–2021) to support Quebec communities. In this first year of the fund, CED approved 38 projects worth a total of almost \$10.9 million, which, in turn, will generate an investment of over \$41.9 million by various stakeholders. The investments made include projects that promote local experiences (for example, fishing or gastronomic tours), community beautification projects, and projects to enhance tourism facilities in rural and remote areas. The CEF also aims to boost Indigenous tourism and promote inclusion—particularly for the LGBTQ2 community—by providing support for train-the-trainer programs, festivals, special events and pre-marketing activities.

CED also made structural investments in support of projects aimed at sustaining the tourism industry. In particular, it earmarked \$10 million to support the acquisition of cross-country ski and snowmobile trail maintenance equipment. With the help of CED funding, 73 organizations in 51 RCMs will be able to improve the client experience for tourists and athletes. CED also supported projects involving the construction, modernization or expansion of tourism infrastructure to enhance a region's touristic drawing power. Authorized assistance of close to \$19 million was granted to organizations responsible for various tourist sites, including the *Sanctuaire Notre-Dame-du-Cap* in the Mauricie region, Parc Safari, and Destination Sept-Îles. Together, these projects will generate an investment of over \$77 million by various stakeholders.

Finally, CED continued its support for communities affected by particular challenges. This includes the *Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile*, which was launched in June 2013 and ended on March 31, 2020. CED invested a total of \$50 million in 65 projects to support the economic transition of communities affected by the foreseeable end of the chrysotile asbestos industry. In

2019–2020, \$8 million was invested in 13 projects, mainly in the Des Appalaches and Des Sources RCMs. In addition, CED continued to support the economic recovery in Lac-Mégantic following the train accident that occurred on July 6, 2013. Over \$1.7 million was invested in six projects in 2019–2020.

Under-represented groups

CED has put several measures in place aimed at increasing the participation of under-represented groups—including women, Indigenous peoples and youth—in the economy in general and in entrepreneurship in particular.

For example, in January 2019, it launched the [CED Fast Forward Challenge](#)^{ix}, an experimental project specifically targeting young engineering students or graduates. A total of 10 innovative businesses from across Quebec each received a \$50,000 grant to carry out their business projects.

CED also supported 27 new economic projects by Indigenous entrepreneurs or organizations in 2019–2020. With a total of 47 projects receiving funding, CED has already far exceeded its objective of supporting 40 new projects by 2021.

Finally, CED approved 24 projects in 2019–2020 under the [Women Entrepreneurship Strategy \(WES\)](#)^x, bringing the total number of projects to 70 since the start of implementation in 2018-2019. Part of the *Innovation and Skills Plan* (ICP), this government-wide strategy represents an investment of almost \$5 million across Canada aimed at helping women grow their businesses by providing them with access to financing, talent, networks and expertise.

Gender-Based Analysis Plus

As part of its regular programs, CED collects statistics on the gender and diversity of the principal SME owners (i.e., whether they belong to one of the following groups: youth, Anglophones, Indigenous peoples, women, persons with disabilities and visible minorities). This information is collected on a voluntary basis to inform internal or external policies, programs and services.

It allows CED to better understand the impact of these programs and initiatives for evaluation and continuous improvement purposes and helps in the identification of potential gaps in accessibility and the communication needs of various target groups in the regions of Quebec.

Experimentation



DEC launched the CED Fast Forward Challenge in January 2019. This pilot project aimed to support innovative entrepreneurship among young people by offering ten start-up businesses in cutting-edge sectors the opportunity to obtain a grant of \$ 50,000 each. **Some 72 innovative companies took part in the competition and ten of them will be able to turn their business projects into reality through grants totalling half a million dollars.**

The experimental design of this competition allowed CED to test new business practices, target new clientele and apply the GBA + analytical approach to assess the potential impact on diverse groups of people. The entrepreneurial activities of the participants as well as the performance of the businesses that will be launched will be monitored in order to document the impact.

The first evaluation report concluded that the pilot project had made it possible to experiment with the use of generic terms and conditions through a competition; that collaboration between internal and external players upstream was a good practice; and that GBA+ considerations had been solidly incorporated during the design phase. Lessons learned from this evaluation included the need to document the thinking behind project selection, and the possibility of creating a pool of ideas during the reflection process with a view to using them in future projects. Also, the use of a project charter to convey a common understanding upstream is particularly useful in the case of experimentation.

Departmental Result 3: Businesses invest in the development and commercialization of innovative technologies in Quebec

Investment in innovation is essential to allow SMEs to remain competitive and grow. During the 2019–2020 fiscal year, CED continued to support businesses that develop and adopt innovations and commercialize them. Through the REGI program, CED supported 224 commercialization projects worth a total of \$20.8 million, which in turn generated an investment of \$258.2 million by various stakeholders.

Moreover, as mentioned under Priority 1, the launch of the IADE laid the groundwork for the strengthening of the vitality of our innovation ecosystem by mobilizing incubators, accelerators and other players on the ground around shared projects. This will foster growth and innovation in start-ups by ensuring that they are supported by exceptional organizations that are well-connected and able to create success stories that extend beyond our borders.

Example of a Project Funded by CED

Located in Saint-Jérôme, the **Institut du véhicule innovant (IVI)** is a college centre for technology transfer (CCTT) affiliated with the Cégep de Saint-Jérôme that supports manufacturers of electric and intelligent vehicles throughout Quebec. Its projects focus on the electrification of transportation, improving the energy efficiency of vehicles, reducing GHGs and polluting emissions, and developing renewable energy sources in the transportation sector.

CED has authorized a non-repayable contribution of \$749,600 to increase the organization's innovation and technology transfer capacities in order to accelerate the adoption of green technologies by manufacturers in the electric and intelligent vehicle sector and thus reduce the ecological footprint of transportation.

Results achieved

CED's core accountability is assessed annually by means of three departmental outcomes and nine socio-economic indicators, which are used to track progress. These are high-level economic indicators and the objectives pursued are long-term and stem from the Government of Canada's *Innovation and Skills Plan*. The achievement of these objectives depends on a number of factors; CED's intervention contributes to their achievement, within the limits of the organization's budgets. As shown below, most of the established targets have been met.

Departmental results	Performance indicators	Target	Date to achieve target	2017–18 Actual results	2018–19 Actual results	2019–20 Actual results
R1: Businesses are innovative and growing in Quebec	Number of high-growth businesses in Quebec (by revenue)	3.400***	March 31, 2020	NA	2,620*	NA*
	Value of Quebec goods' exports (in dollars)	\$86.0 B	March 31, 2020	78,6 G\$*	86.1 G\$*	86.6 G\$
	Value of Quebec clean tech exports (in dollars)	Not available	March 31, 2020	NA	NA	3.0 G\$**
	Revenue growth rate of businesses supported by CED programs	10.0%	March 31, 2020	12.3%****	4.7%****	NA*
R2: Quebec communities are economically diversified	Percentage of Quebec SMEs that are majority-owned by women, Indigenous peoples, youth, visible minorities or persons with disabilities	Women 16.5% Indigenous peoples 0.5% Youth 17% Visible minorities 5% Persons with disabilities Not available**	March 31, 2020	Women: NA Indigenous peoples: NA Youth: NA Visible minorities: NA Persons with disabilities: NA	Women: 16.2% Indigenous peoples: 0.7% Youth: 17.2% Visible minorities: 4,5% Persons with disabilities: 0.2%	Women: NA Indigenous peoples: NA Youth: NA Visible minorities: NA Persons with disabilities: NA

	Percentage of professional positions in science and technology in Quebec's economy	36.5 %	March 31, 2020	36.1%*	35.4%*	36.6%*
	Amount leveraged per dollar invested in community projects	\$2.20	March 31, 2020	2.48 \$	2.76 \$	2.24 \$
R3: Businesses invest in the development and commercialization of innovative technologies in Quebec	Value of R&D spending by businesses receiving CED program funding (in dollars)	\$25M	March 31, 2020	30 M\$	36 M\$	62 M\$
	Revenue growth rate of businesses supported by CED programs	19. %	March 31, 2020	NA	22.9 %*	NA*
* The latest data published by Statistics Canada dates to 2018-2019. Data are therefore not available for the current fiscal year.						
** Statistics Canada released the results of the clean technology indicator for the first time in this exercise. The result achieved will serve as a reference for our next targets.						
*** Changes have been made to the methodology used by Statistics Canada to measure the number of high growth businesses. This result was established based on the new methodology and cannot be compared to that presented in the 2019-2020 Departmental Plan.						
**** Previously, CED used internal data whereas, for the 2017-2018 and 2018-2019 results, the data comes from Statistics Canada.						

Interpretation of the “Results achieved” table

- **R1:** Driven by the economic strength of foreign markets and the relative weakness of the Canadian dollar, Quebec’s goods’ exports grew in 2019, surpassing the \$86 billion target by more than \$2.6 billion. And, for the first time this year, Statistics Canada produced the figure for the current value of Quebec’s clean technology exports: \$3.0 billion. This figure could serve as a benchmark for CED in subsequent years.
- **R2:** The second indicator predicts a high proportion of professional jobs in science and technology in the Quebec economy. This proportion rose slightly in 2019–2020 to 36.6%, just exceeding the target of 36.5%. The Quebec average also remains higher than the Canadian average (34.7%). CED was able to contribute to the achievement of this target by pursuing its efforts to support the adoption of digital technologies within companies by providing \$106.4 million in funding for 253 new projects, generating a total investment of \$619.0 million. As regards the third indicator, CED supported projects in 101 RCMs, and generated a substantial leverage effect through the projects it supported: for every dollar invested by CED in community projects, the other financial partners invested \$2.24, slightly exceeding the established target of \$2.20. This result demonstrates CED’s catalyst effect in the regions of Quebec.
- **R3:** The SMEs supported by CED spent over \$62.0 million on research and development (R&D), far exceeding the established target of \$25 million. It should be noted that CED focuses on projects with a strong R&D component.

Budgetary financial resources (dollars)

2019–20 Main Estimates	2019–20 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)	2019–20 Difference (Actual spending minus Planned spending)
306,093,251	301,916,121	311,562,899	303,896,531	1,980,410

The table above presents the budgetary financial resources for CED's core responsibility.

Human resources (full-time equivalents)

2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2019–20 Difference (Actual full-time equivalents minus Planned full-time equivalents)
191	180	-11

The table above presents the human resources for CED's core responsibility.

Financial, human resources and performance information for CED's Program Inventory is available in [GC InfoBase](#).^{xi}

Internal Services

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are:

- ▶ Acquisition Management Services
- ▶ Communication Services
- ▶ Financial Management Services
- ▶ Human Resources Management Services
- ▶ Information Management Services
- ▶ Information Technology Services
- ▶ Legal Services
- ▶ Material Management Services
- ▶ Management and Oversight Services
- ▶ Real Property Management Services

Results

Modernization and optimization projects aimed at improving the agility of our processes and approaches were carried out in the business offices and at Head Office. Work continued on the *Horizon 2021 Initiative* throughout fiscal 2019–2020, with projects being implemented in the three areas of transformation shown below:



People and Culture

A healthy, learning, innovative and diversified organization whose employees are networked, engaged and have the skills to contribute to the success of businesses and regions and a key partner in the achievements of the ISED portfolio.



Policies and procedures

Policies and parameters translating the government's priorities into timely initiatives and tangible services to contribute to the success of businesses and regions.

Procedures in all areas of activity are clear, straight-forward and required for effective decision-making, client service excellence and the achievement of desired results.



Tools and Technologies

Up-to-date tools and user friendly and high performance technologies which optimize our procedures and enable everyone—CED employees, partners and clients—to be informed, work/interact effectively and make the best decisions more quickly.

Some of the projects and initiatives carried out in 2019–2020:

- CED pursued its transition to CORTEX, a new grant and contribution (G&C) management system that makes up part of CED's digital strategy and the modernization of its business processes. Good progress was made on this major project in 2019–2020. Achievements include the deployment of several modules and the configuration of the transactional portal, which will provide user-friendly, secure and real-time access to CED services.
- CED rolled out an innovative communications strategy in conjunction with the [CED Fast Forward Challenge](#)^{xii} and received the *Regional Powerhouse of Communications Excellence* award at the 2nd edition of the Government of Canada's Communications Awards of Excellence ceremony. This recognition underscores CED's exceptional contribution in support of regional communications activities that improve services to Canadians.
- Six projects were carried out as part of the *Innovation Incubator Initiative*, which was launched in 2018 to seize opportunities or develop non-traditional solutions to everyday problems through experimentation. More than a dozen organizations have approached CED this year regarding the setting up of this team as a good practice in innovation.

Budgetary financial resources (dollars)

2019–20 Main Estimates	2019–20 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)	2019–20 Difference (Actual spending minus Planned spending)
19,151,289	20,230,571	20,181,706	20,726,195	495,624

The table above presents the budgetary financial resources for CED's internal services.

Human resources (full-time equivalents)

2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2019–20 Difference (Actual full-time equivalents minus Planned full-time equivalents)
151	154	3

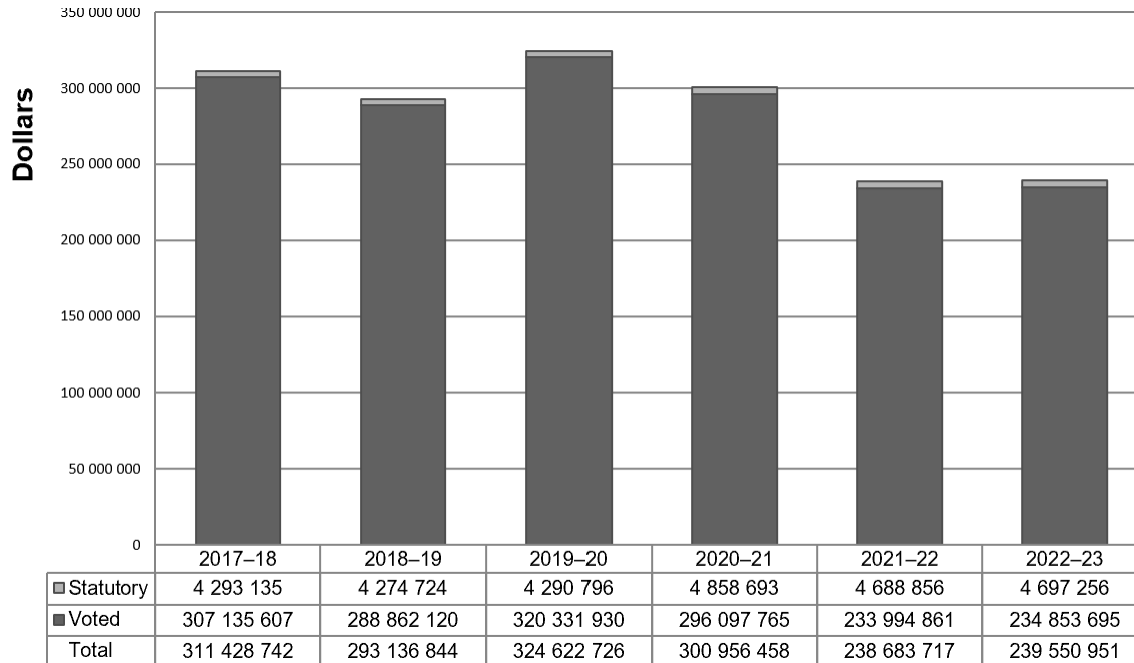
The table above presents the human resources for CED's internal services.

Analysis of trends in spending and human resources

Actual expenditures

Departmental spending trend graph

The following graph presents planned (voted and statutory spending) over time.



The marked decrease in spending from 2021-2022 can be explained by the fact that the planned spending as of April 1, 2021 does not include the reinvestment of income from repayable contributions from our clients, since the authorizations were not obtained. at the time of writing.

Budgetary performance summary for Core Responsibilities and Internal Services (dollars)

Core responsibilities and Internal Services	2019–20 Main Estimates	2019–20 Planned spending	2020–21 Planned spending	2021–22 Planned spending	2019–20 Total authorities available for use	2017–18 Actual spending (authorities used)	2018–19 Actual spending (authorities used)	2019–20 Actual spending (authorities used)
Developing Quebec's economy	306,093,251	301,916,121	280,818,767	219,711,873	311,562,899	303,896,531	273,397,927	291,790,589
Internal Services	19,151,289	20,230,571	20,137,691	18,971,844	20,181,706	20,726,195	19,738,917	19,638,153
Total	325,244,540	322,146,692	300,956,458	238,683,717	331,744,605	324,622,726	293,136,844	311,428,742

CED continually adapts to the changing economic context in order to meet regional needs and respond to various government priorities and initiatives. Thus, expenditures vary from year to year based on targeted or temporary support initiatives that are launched or completed.

Additional funding for new initiatives includes:

- ▶ 2017–2018:
 - \$62.4 million over two years (2016–2018) for the *Canada 150 Community Infrastructure Program* (CIP 150 – components I and II)
- ▶ 2018–2019:
 - \$76.7 million over five years (2018 to 2023) for Canada's *Innovation and Skills Plan* and \$22.4 million over five years (2018 to 2023) for the *Women Entrepreneurship Strategy* (WES)
- ▶ 2019–2020:
 - \$26.2 million over one year for the *Steel and Aluminum Initiative*
 - \$12.1 million over two years (2019 to 2021) for the *Canadian Experiences Fund* (CEF), part of the federal employment and tourism strategy

End of funding for completed initiatives includes:

- ▶ 2017–2018: end of the CIP 150 on March 31, 2018
- ▶ 2019–2020: end of the *Steel and Aluminum Initiative* and the *Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile* on March 31, 2020

Actual human resources

Human resources summary for core responsibilities and Internal Services

Core responsibilities and Internal Services	2017–18 Actual full-time equivalents	2018–19 Actual full-time equivalents	2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2020–21 Planned full-time equivalents	2021–22 Planned full-time equivalents
Developing Quebec's economy	182	180	191	180	184	180
Internal Services	138	142	151	154	156	153
Total	320	322	342	334	340	333

Along with budget fluctuations from year to year, the number of FTEs also varies depending on the funding received for various temporary or targeted initiatives.

In 2019–2020, the decline in the actual number of FTEs in relation to the number forecast (-8 FTEs) can be partially attributed to delays in the hiring of workers to fill skilled positions that are in high demand in the labour market.

As concerns Internal Services, a few additional resources were required to carry out various organizational modernization and optimization projects, notably the digital strategy—including the development of the new grant and contribution management system (CORTEX) and the implementation of the financial and material management system (SAP)—and the creation of the *Innovation Incubator*.

Expenditures by vote

For information on CED's organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2019–2020](#).^{xiii}

Government of Canada spending and activities

Information on the alignment of CE's spending with the Government of Canada's spending and activities is available in [GC InfoBase](#).^{xiv}

Financial statements and financial statements highlights

Financial statements

CED's financial statements (unaudited) for the year ended March 31, 2019, are available on the departmental website.

Financial statement highlights

The financial highlights presented below provide an overview of CED's financial position and operations. The unaudited financial statements are drawn up in accordance with government accounting policies, which are based on Canadian Generally Accepted Accounting Principles for the public sector.

The expenditures set forth in the tables in other sections of the Report were prepared on a cash basis, whereas the financial highlights below were prepared on an accrual basis. Tables reconciling these two accounting methods are presented in the *Notes to CED's Financial Statements*.

A more detailed statement of operations and associated notes, including a reconciliation of the net costs of operations with the requested authorities, is available on [CED's website](#).^{xv}

**Condensed Statement of Operations (unaudited) for the year ended
March 31, 2020 (dollars)**

Financial information	2019–20 Planned results	2019–20 Actual results	2018–19 Actual results	Difference (2019–20 Actual results minus 2019– 20 Planned results)	Difference (2019–20 Actual results minus 2018– 19 Actual results)
Total expenses	205,722,000	213,040,007	173,919,390	7,318,007	39,120,617
Total revenues	0	0	0	0	0
Net cost of operations before government funding and transfers	205,722,000	213,040,007	173,919,390	7,318,007	39,120,617

Condensed Statement of Financial Position (unaudited) as of March 31, 2020 (dollars)

Financial information	2019–20	2018–19	Difference (2019–20 minus 2018–19)
Total net liabilities	18,135,403	17,003,094	1,132,309
Total net financial assets	14,325,836	13,657,523	668,313
Departmental net debt	3,809,567	3,345,571	463,996
Total non-financial assets	2,797,191	2,453,642	343,549
Departmental net financial position	(1,012,376)	(891,929)	(120,447)

Liabilities

- As at March 31, 2020, CED's net liabilities stood at \$18.1 million, up 6.7% from 2018–2019. This increase is largely attributable to the increase in vacation pay and compensatory leave.
- Accounts payable and accrued liabilities account for the largest share of liabilities: 79.0% (\$14.3 million) of total net liabilities. Vacation pay and compensatory leave, along with future fringe benefits, account for, respectively, 14.5% (\$2.6 million) and 6.5% (\$1.2 million) of the organization's net liabilities.

Assets

- As at March 31, 2020, net financial assets stood at \$14.3 million, up 4.9% from the previous year's total. This increase is primarily attributable to the increase in accounts receivable and advances.
- CED's non-financial assets stood at \$2.8 million as at March 31, 2020, a year-over-year increase of 14.0%. This rise is primarily the result of the increase in tangible capital assets.
- Furthermore, CED's loans, held entirely on behalf of the government, amounted to \$424.5 million as at March 31, 2020, up 1.1% from 2018–2019.

Additional information

Organizational profile

Appropriate minister:

The Honourable Mélanie Joly, P.C., M.P.

Minister of Economic Development and Official Languages

Institutional head:

Manon Brassard

Ministerial portfolio:

Innovation, Science and Economic Development

Enabling instrument:

[*Economic Development Agency of Canada for the Regions of Quebec Act \(S.C. 2005, c. 26\)*](#)^{xvi}

Year of incorporation / commencement: 2005

Raison d'être, mandate and role: who we are and what we do

“Raison d'être, mandate and role: who we are and what we do” is available on CED's website.

For more information on the department's organizational mandate letter commitments, see the [Minister's mandate letter](#).^{xvii}

Reporting framework

CED’s Departmental Results Framework and Program Inventory of record for 2019–20 are shown below.

Departmental results framework	Core Responsibility : Economic Development in Quebec		Internal Services
	Department Result : Businesses are innovative and growing in Quebec	Indicator : Number of high growth firms in Quebec	
		Indicator : Value of exports of good (in dollars) from Quebec	
		Indicator : Value of exports of clean technologies (in dollars) from Quebec	
		Indicator : Revenue growth rate of firms supported by CED programs	
	Departmental Result : Communities are economically diversified in Quebec	Indicator : Percentage of SMEs that are majority-owned by women, Indigenous people, youth, visible minorities and persons with disabilities in Quebec	
		Indicator : Percentage of professional, science and technology-related jobs in Quebec's economy	
		Indicator : Amount leverage per dollar invested by CED in community projects	
	Departmental Result : Businesses invest in the development and commercialization of innovative technologies in Quebec	Indicator : Value of Business Expenditure in Research and Development (BERD) by firms receiving CED program funding (in dollars)	
		Indicator : Percentage of companies engaged in collaborations with higher education institutions in Quebec	
Program Inventory	Program : Regional Innovation		
	Program : Community economic development and diversification		
	Program : Targeted transition support		

Supporting information on the program inventory

Financial, human resources and performance information for CED's Program Inventory is available in [GC InfoBase](#).^{xviii}

Supplementary information tables

The following supplementary information tables are available on [CED's website](#).^{xix}

- ▶ Departmental Sustainable Development Strategy
- ▶ Details on transfer payment programs of \$5 million or more
- ▶ Gender-based analysis plus
- ▶ Response to parliamentary committees and external audits

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the [Report on Federal Tax Expenditures](#).^{xx} This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational contact information

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H3B 1X9

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Appendix: definitions

appropriation (crédit)

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (dépenses budgétaires)

Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

core responsibility (responsabilité essentielle)

An enduring function or role performed by a department. The intentions of the department with respect to a core responsibility are reflected in one or more related departmental results that the department seeks to contribute to or influence.

Departmental Plan (plan ministériel)

A report on the plans and expected performance of an appropriated department over a 3-year period. Departmental Plans are usually tabled in Parliament each spring.

departmental priority (priorité)

A plan or project that a department has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired departmental results.

departmental result (résultat ministériel)

A consequence or outcome that a department seeks to achieve. A departmental result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

departmental result indicator (indicateur de résultat ministériel)

A quantitative measure of progress on a departmental result.

departmental results framework (cadre ministériel des résultats)

A framework that connects the department's core responsibilities to its departmental results and departmental result indicators.

Departmental Results Report (rapport sur les résultats ministériels)

A report on a department's actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

experimentation (expérimentation)

The conducting of activities that seek to first explore, then test and compare the effects and impacts of policies and interventions in order to inform evidence-based decision-making, and improve outcomes for Canadians, by learning what works, for whom and in what circumstances. Experimentation is related to, but distinct from innovation (the trying of new things), because it involves a rigorous comparison of results. For example, using a new website to communicate with Canadians can be an innovation; systematically testing the new website against existing outreach tools or an old website to see which one leads to more engagement, is experimentation.

full-time equivalent (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. For a particular position, the full-time equivalent figure is the ratio of number of hours the person actually works divided by the standard number of hours set out in the person's collective agreement.

gender-based analysis plus (GBA+) (analyse comparative entre les sexes plus [ACS+])

An analytical process used to assess how diverse groups of women, men and gender-diverse people experience policies, programs and services based on multiple factors including race ethnicity, religion, age, and mental or physical disability.

government-wide priorities (priorités pangouvernementales)

For the purpose of the 2019–20 Departmental Results Report, those high-level themes outlining the government's agenda in the 2019 Speech from the Throne, namely: Fighting climate change; Strengthening the Middle Class; Walking the road of reconciliation; Keeping Canadians safe and healthy; and Positioning Canada for success in an uncertain world.

horizontal initiative (initiative horizontale)

An initiative where two or more federal organizations are given funding to pursue a shared outcome, often linked to a government priority.

non-budgetary expenditures (dépenses non budgétaires)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (rendement)

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator (indicateur de rendement)

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (production de rapports sur le rendement)

The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

plan (plan)

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally, a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead to the expected result.

planned spending (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts presented in Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

program (programme)

Individual or groups of services, activities or combinations thereof that are managed together within the department and focus on a specific set of outputs, outcomes or service levels.

program inventory (répertoire des programmes)

Identifies all the department's programs and describes how resources are organized to contribute to the department's core responsibilities and results.

result (résultat)

A consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (dépenses législatives)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

target (cible)

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (dépenses votées)

Expenditures that Parliament approves annually through an appropriation act. The vote wording becomes the governing conditions under which these expenditures may be made.

Endnotes

- ⁱ CED, Fast Forward Challenge, <https://dec.canada.ca/eng/programs/regi/fast-forward-challenge/index.html>
- ⁱⁱ CED, Regional Economic Growth through Innovation Program, <https://dec.canada.ca/eng/programs/regi/index.html>
- ⁱⁱⁱ CED, Women Entrepreneurship Strategy, <https://dec.canada.ca/eng/programs/regi/wes/index.html>
- ^{iv} CED, Fast Forward Challenge, <https://dec.canada.ca/eng/programs/regi/fast-forward-challenge/index.html>
- ^v CEC, Regional Economic Growth through Innovation Program, <https://dec.canada.ca/eng/programs/regi/index.html>
- ^{vi} CED, Support to the Steel and Aluminum Sector, <https://dec.canada.ca/eng/programs/regi/sa/index.html>
- ^{vii} CED, Community Futures Program, <https://dec.canada.ca/eng/programs/cfp/index.html>
- ^{viii} CED, Canadian Experiences Fund, <https://dec.canada.ca/eng/programs/qedp/cef/index.html>
- ^{ix} CED, Fast Forward Challenge, <https://dec.canada.ca/eng/programs/regi/fast-forward-challenge/index.html>
- ^x CED, Women Entrepreneurship Strategy, <https://dec.canada.ca/eng/programs/regi/wes/index.html>
- ^{xi} GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- ^{xii} CED, Fast Forward Challenge, <https://dec.canada.ca/eng/programs/regi/fast-forward-challenge/index.html>
- ^{xiii} Public Accounts of Canada, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- ^{xiv} GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- ^{xv} CED, Financial Statements, <https://dec.canada.ca/eng/publications/index.html>
- ^{xvi} Economic Development Agency of Canada for the Regions of Quebec Act (S.C. 2005, c. 26), <https://laws-lois.justice.gc.ca/eng/acts/E-1.3/index.html>
- ^{xvii} Prime Minister of Canada, Mandate letters <https://pm.gc.ca/en/mandate-letters>
- ^{xviii} GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- ^{xix} CED, Supplementary information tables, <https://dec.canada.ca/eng/publications/index.html>
- ^{xx} Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>