

2020–21
Departmental Results Report

**Canada Economic Development for
Quebec Regions**

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Minister of Sport and Minister responsible for
the Economic Development Agency of
Canada for the Regions of Quebec

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From the Minister

It is our pleasure to present the 2020–21 Departmental Results Report for Canada Economic Development for Quebec regions.

In a year that was characterized by uncertainty and rapidly shifting priorities as a result of the global COVID-19 pandemic, the Government of Canada remained committed in its continued efforts to meet the evolving needs of Canadians and the Canadian economy.

During the 2020-2021 fiscal year, CED worked tirelessly to help Quebec businesses and regions get through the crisis. CED quickly adapted its operations and mobilized the necessary resources to put in place new support measures for the businesses and communities hardest hit by COVID-19. These measures include the Regional Recovery and Assistance Fund (RRAF), the Canadian Seafood Stabilization Fund (CSPF) and the Regional Air Transportation Initiative (RTI).

Through all these initiatives and more, we continued to deliver on our commitment to foster a dynamic and growing economy that creates jobs, opportunities and a better quality of life for all Canadians, including those from diverse backgrounds, such as women, Indigenous peoples, racialized Canadians, persons with disabilities and LGBTQ+ groups.

We invite you to read this report to learn more about how CED supports the growth and expansion of Quebec SMEs so that they are strategically positioned in the economy of tomorrow.



From the Institutional Head

With the tabling of its 2020-2021 Departmental Results Report, Canada Economic Development for Quebec Regions (CED) is reporting on the impact of its actions over the last fiscal period. This past year was extraordinary in many respects and I am proud of the work accomplished by my team, who worked tirelessly to deliver support measures that meet the needs of Quebec's small and medium-sized enterprises (SMEs) and communities in these extraordinary times.



You will note from the opening pages of the report that our focus in 2020-2021 has been on helping businesses and communities deal with the economic crisis caused by COVID-19. We rolled out three new temporary initiatives to that effect, while continuing our regular programs to support business competitiveness and community vitality. This sustained effort by our teams to ensure that businesses adapt, transform and stay in operation - in conjunction with other government measures - helped mitigate the impact of the pandemic and help them position themselves quickly for recovery.

We also continued our work to innovate in the way we do things, offer our services and meet our clients' expectations, including the implementation of a new user service with the creation of an infocenter.

As a key player in regional development in Quebec, CED will continue to multiply its actions and be present in the field in order to accompany Quebec SMEs and regions towards a strong and sustainable recovery.

Enjoy your reading!

Results at a glance

Early in the reporting period, the outbreak of the COVID-19 pandemic resulted in a severe economic downturn, job losses and business closures. Indeed, the containment measures in Quebec abruptly disrupted large segments of the economy as early as April 2020, resulting in a very sharp and sudden economic contraction. GDP fell by 23% and 820,000 workers lost their jobs. In particular, sectors such as food and beverage, accommodation and arts and entertainment suffered a significant economic impact.

This health crisis turned economic crisis exposed some of the shortcomings within businesses, including delays in adopting advanced technologies, in going digital and in e-commerce. It also exacerbated gaps between large urban centres and remote regions, as well as barriers to the full participation of certain groups of people in the economy.

In response to this unprecedented context, Canada Economic Development for Quebec Regions (CED) invested a record \$501.8 million in 1,843 Grants and Contributions (G&C) projects in 2020–2021. Of these, 814 are COVID-19 projects, representing investments of \$240M.

Funds used (Actual expenditures)	Personnel (Full-time equivalents (FTEs))
\$550,375,899	359

Results in response to COVID-19

Providing support tailored to the exceptional context of COVID-19 was at the heart of our actions in 2020–2021, both in our regular programs and in the deployment of new temporary targeted measures.

In order to alleviate the cash flow pressures felt by businesses, we implemented a moratorium on repayments for all our clients from April 2020 to December 2020. We also allowed certain flexibility in relation to our existing contribution agreements to accommodate the cancellation or postponement of some planned activities.

Like other regional development agencies (RDAs), CED quickly mobilized to put in place targeted measures for small and medium-sized businesses (SMEs) and affected communities. These measures contributed to the government’s plan announced in the 2020 Speech from the Throne, which made fighting the pandemic on all fronts a top priority. More specifically, we designed and launched initiatives to support the industries hardest hit by the crisis, including the [Regional Relief and Recovery Fund \(RRRF\)](#)ⁱ, the [Canadian Seafood Stabilization Fund \(CSSF\)](#)ⁱⁱ and the [Regional Air Transportation Initiative \(RATI\)](#).ⁱⁱⁱ

Regional Relief and Recovery Fund (RRRF)

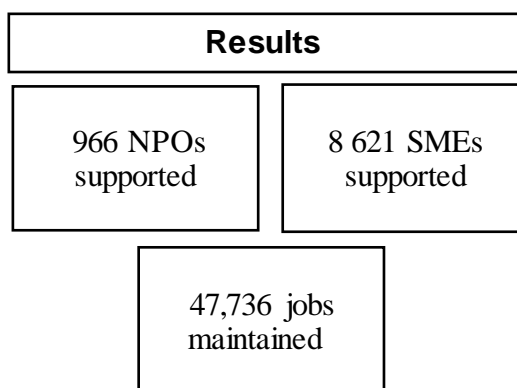
Announced in April 2020, the RRRF enabled CED to maintain jobs and ensure the survival of businesses in several economic sectors, including retail, manufacturing and food production. Particular attention has been paid to those sectors most affected by the pandemic, including tourism.

CED assistance takes several forms: it consists of either direct financing to businesses and organizations, or indirect financing to businesses via organizations supported by CED. Therefore, we granted financial support of more than \$236.8 million to 9,587 businesses and organizations that had urgent cash requirements or technical assistance needs to ensure the management of their day-to-day operations and their survival.

Among the NPOs supported, CED concluded agreements for \$28 million with the six Montreal SME organizations, which allowed for financial assistance of up to \$60,000 to be granted to 800 small Montreal enterprises.

We also provided \$3.9 million in assistance to eight organizations working in various regions of Quebec, allowing them to deploy emergency technical assistance. This assistance enabled some 1,725 businesses and organizations to remain operational, evolve in the changing context of the pandemic and receive support.

Lastly, we granted \$111 million in assistance to Community Futures Development Corporations (CFDCs) and Business Development Centres (BDCs). With this funding, Quebec's CFDCs and BDCs supported more than 6,200 businesses and organizations affected by the impacts of COVID-19 in all rural regions of the province.



Canada Seafood Stabilization Fund in Quebec (CSSF)

Launched in June 2020, this one-time initiative provides targeted support to processors of fish, seafood and aquaculture products, an important industry for many regions of Quebec. With a national budget of \$62.5 million over two years, including \$9.1 million for Quebec, the CSSF has enabled CED to invest \$3 million to date in 18 SMEs to ensure their long-term viability, future positioning and job maintenance.

Regional Air Transportation Initiative (RATI)

At the end of this reporting period, the RDAs launched RATI, which will help maintain and improve air connectivity and air transportation services in our regions. This national initiative complements other measures taken in [Canada's COVID-19 Economic Response Plan](#).^{iv}

CED led and coordinated
the implementation of RATI for all RDAs.
An achievement that mobilized many experts and that will
make a real difference in the regions of Quebec and Canada
in these difficult times.

The initiative has a national budget of \$206 million until March 31, 2022, including \$59.2 million for Quebec, to support regional ecosystems for which air transportation is a key factor in the economy. In concrete terms, the assistance provided by CED will help maintain and modernize regional air services weakened by the pandemic. It targets small regional airports and air carriers, as well as businesses and organizations whose activities contribute directly to regional air transportation in Quebec. The call for proposals closed on April 30, 2021.

Our priorities

We had identified 3 priorities in our [2020–2021 Departmental Plan](#)^v, prior to the pandemic. We adjusted and enhanced our efforts to address the economic impacts of COVID-19 and to mitigate the consequences on SMEs and organizations that support them.

1. Support business growth and development

CED invested \$148.9 million in 582 SMEs to support their growth, as well as their resilience in these extraordinary times. More than ever in the post-COVID-19 economy, the digital shift is a growth vector for businesses. The year 2020–2021 will thus have been marked by the funding of projects that target innovation, the adoption and development of new cutting-edge technologies, the digitization of services and the automation of businesses.

Marketing in foreign markets has been greatly affected by the pandemic owing to the closure of several industries and borders during the first wave in the spring of 2020. However, with the gradual reopening of goods-producing industries, trade in goods recovered fairly quickly. CED provided \$11.9 million in support to 137 businesses to help them expand and remain competitive in foreign markets.

In support of the objective set out in the 2019 Speech from the Throne to achieve a net-zero emissions target by 2050, CED also invested \$39.5 million in 128 projects aimed at improving environmental performance, using less energy-intensive technologies and developing technologies to reduce the environmental footprint of businesses. This goal was subsequently reaffirmed in the Fall Economic Statement 2020 and in Canada's Strengthened Climate Plan.

In addition to direct financing granted to SMEs, our commitment to business growth and development also includes support for regional innovation ecosystems. In 2020–2021, CED supported 60 organizations, including industrial clusters, business incubators and accelerators, and economic NPOs, with funding of \$13.8 million.

2. Strengthen the economic vitality of communities

CED paid particular attention to the realities of the regions and communities in 2020–2021 in order to provide assistance that reflects the challenges and opportunities in the community. We continued to support local economic development, tourism and the ability of communities to position themselves favourably in the post-COVID-19 environment through the Community Futures Program (CFP). More concrete results in this regard are available on page 12 of this document under Departmental Result 2.

3. Pursue the Horizon 2021 initiative

The year 2020–2021 marks the end of CED’s Horizon 2021 initiative, in which we committed to be innovative in the way we do things, deliver our services and meet citizens’ expectations. Several efforts in this regard were undertaken in 2020–2021, including implementation of our digital strategy. In the same vein, the new Imagining 2024 initiative will continue to highlight CED’s commitment to promoting innovation and creating a healthy, stimulating and attractive work environment.

Of course, the crisis has required management to adapt to the new realities of the working world. In recent years, CED had already embarked on the digital path, so we were able to continue delivering our mandate remotely and support employees in this transition.

Infocentre: a new service at CED in 2020–2021

While many emergency measures and initiatives were deployed in the context of COVID-19, CED was quick to act and anticipated the needs of its clients by creating a new service to better serve them and meet their needs. The Infocentre provided the first line of communication, both by telephone and by e-mail, in order to provide complete and rapid information. This includes general information on programs and initiatives, verification of eligibility and referral to business offices or other departments and partners, to name a few.

To find out more about CED’s plans, priorities and achievements, see the section of this report entitled “Results: what we achieved.”

Results: what we achieved

Core responsibility

Developing Quebec's economy

Description: Support Quebec's economic growth, job creation and Quebec's economic prosperity through clean and inclusive growth; helping SMEs to grow through trade and innovation; build on regional competitive strengths.

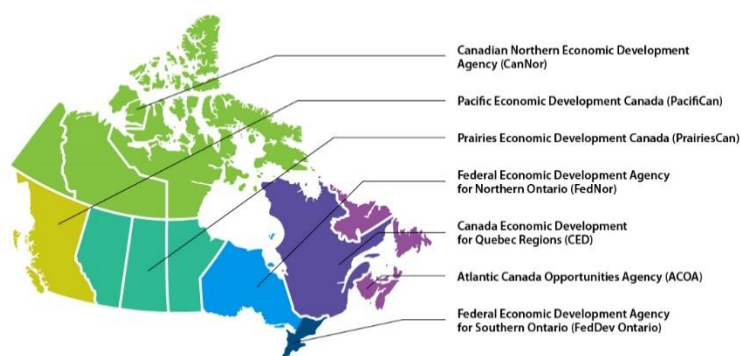
Results:

CED and the other five RDAs work together to contribute, within their respective mandates, to the economic development of Canada's regions.

To measure the progress being made in fulfilling its essential responsibilities, CED strives to contribute to and have an influence on the three following departmental results.

Achievement of these objectives depends on a number of factors and CED's intervention

contributes to their achievement, within the limits of the organization's budgets. The results achieved demonstrate our ongoing commitment to innovation, digital competitiveness, green growth and economic diversification and resilience in all our regions. It should be noted that in this particular year, CED has ensured that the projects supported benefit from the adjustments required and enable Quebec enterprises and communities to get through the crisis and take advantage of the recovery.



Departmental Result 1: Quebec businesses are innovative and growing

The COVID-19 pandemic has had a historic human and commercial impact. It has accelerated the transformation already underway in the economic organization models and ways of doing things for businesses, which have had to innovate and reinvent themselves to remain sustainable and competitive. CED accompanied and supported SMEs in this regard in 2020–2021.

We continued to stimulate innovation and growth in businesses at all stages of their development, including through the national [Regional Economic Growth through Innovation \(REGI\)](#)^{vi} program. This funding program is delivered by the RDAs, including CED, taking into account the specific needs of businesses and regional innovation ecosystems. In 2020–2021, we adapted our intervention to support growth projects based on new business models. This includes projects to accelerate the digital shift of businesses, support e-commerce and cybersecurity,

rebuild supply chains and boost local manufacturing, develop new products and services, and rethink foreign market presence.

Continuing its support for Quebec’s manufacturing industry and recognizing its significant role in the economic recovery, CED funded several projects aimed at improving productivity and ensuring the growth of businesses in this sector. An example is provided below.

Support for a manufacturing business in the Lower St. Lawrence

Multi-Électronique: CED granted \$114,300 in assistance to this Rimouski-based business to enable it to acquire electronic components, cabling and equipment, as well as to cover professional fees to develop an innovative product: a hydrographic platform.

As mentioned in the section on our priorities section, we also continued our support for the transition of businesses to the green economy. To this end, close to \$40 million was granted to businesses in various fields, including bioproducts, bioenergy and energy efficiency, to allow them to develop or adopt clean technologies or change their business practices with a view to sustainable growth.

In addition to direct assistance to businesses, CED helps create an entrepreneurial environment conducive to innovation by supporting players in regional innovation ecosystems. Therefore, we granted \$5.3 million in financial assistance to fund several incubator and accelerator projects aimed at supporting the start-up and growth of innovative and hi-tech businesses.

For example, CED supported the **Technocentre des technologies de l’information** in its project to enhance the integration of digital technologies in businesses in the Gaspésie–Îles-de-la-Madeleine region. This mainly involves offering coaching and consulting services, producing adapted digital strategies, as well as developing tools and platforms that promote the adoption of new digital business and operational models.

Support amounting to nearly \$5 million was also granted to the **Centre d’entreprises et d’innovation de Montréal (CEIM)**, the **Centre de l’entrepreneurship technologique de l’ÉTS (Centech)** and **Bonjour Startup Montréal**.

This assistance will allow them to pursue their mission and propel their client base. In the case of Bonjour Startup Montréal, the assistance will be used to develop Inno Startup, an open innovation platform that links large organizations with start-ups.

Planned activities related to implementation of the Industrial and Technological Benefits (ITB) policy were also greatly affected by the pandemic. Most of the major events in which CED, its clients and partners were supposed to participate were either cancelled or converted to a virtual format. Despite this challenge, we innovated and continued to be present for the sector, notably by organizing the first virtual Symposium on the Canadian Defence and Security Market in Quebec. This initiative brought together nearly 300 participants, including prime contractors, SMEs, the main Quebec industrial partners and several federal representatives.

CED also continued to promote Quebec's capabilities by organizing several virtual industry days and by continuing its involvement with Quebec's prime contractors, SMEs and research centres in order to publicize the opportunities generated by the ITB policy and maximize the benefits for Quebec.

Departmental result 2: communities are economically diversified in Quebec

Quebec communities have been significantly affected by COVID-19 and the measures taken to contain it. In this unusual context, CED redoubled its efforts to help communities' weather the crisis and seize new opportunities to diversify. In particular, we increased our investments in community projects to make up for the absence or withdrawal of other financial partners. The leverage effect of community projects was \$1.80 in this particular year.

We adapted our intervention to meet the needs of the anchor sectors of Quebec's regions, including tourism. Because of the border closures, businesses in the sector have had to rethink their ways of doing business and have relied mainly on local or regional tourism. CED invested nearly \$70 million in projects to support them in the evolution of structuring trends in tourism. This includes on-line booking, implementation of health measures and nature and adventure tourism.

We also continued to support the *Alliance de l'industrie touristique du Québec*, which represents all of Quebec's regional tourism associations (ATRs) and sectoral tourism associations (ATSS). A non-repayable contribution of \$7 million was granted to the Alliance to allow it to provide financial support to Quebec tourism businesses and enable them to implement adaptation measures related to the new health standards.

Also in relation to the tourism industry, we continued to implement the Canadian Experiences Fund (CEF). Launched in 2019, this national initiative is part of the Government of Canada's efforts to support this industry. In this second and final year of the CEF, CED invested \$4.4 million in 32 projects.

We also continued to support the 57 Community Futures Development Corporations (CFDCs), the eight Business Development Centres (BDCs) and the CFDC and BDC Network. This financial assistance of \$33.2 million, provided under the [Community Futures Program \(CFP\)](#)^{vii}, enabled these organizations to support local projects and pursue their mission of supporting the economic development of their rural areas.

In addition, CED continued to support the economic recovery in Lac-Mégantic following the train accident in 2013. More than \$2.6 million was invested in nine projects, including \$1.17 million provided to the Town of Lac-Mégantic to support its efforts to redefine public space and complete the second phase of the pedestrian walkway, on the site of the former downtown area.

Inclusive economy

Work continued on several initiatives to promote inclusive growth and the full participation of underrepresented groups in the economy:

- Economic Development Initiative (EDI) - Official Languages: \$1.8 million invested in 18 projects;
- Economic projects of Indigenous entrepreneurs or organizations: \$11.5 million invested in 72 projects;
- Women Entrepreneurship Strategy (WES) in Quebec: \$8.7 million invested in 39 projects.

The WES is a government-wide strategy that continues to focus on the goal of increasing the number of women-owned businesses in Canada. In 2020–2021, sustained efforts were made to improve support for women entrepreneurs, particularly those affected by the impacts of COVID-19. An additional \$3.15 million was received during the year for this purpose.

Akua Nature Inc., an SME that is majority owned by two young Indigenous women from Mashteuiatsh

This start-up business specializes in the development and manufacture of high value-added ingredients and products made from forest biomass, native medicinal plants and berries.

Support of \$481,805 was granted to this SME to enable it to acquire production equipment and carry out leasehold improvements.

A new initiative was also announced by the Government of Canada in September 2020. The Black Entrepreneurship Program (BEP) aims to help thousands of Black business owners and entrepreneurs across the country recover from the economic impacts of COVID-19 and grow their businesses. A \$53 million National Ecosystem Fund will be administered by the RDAs, including \$12.52 million by CED.

Departmental result 3: businesses invest in the development and commercialization of innovative technologies in Quebec

CED continued to support businesses that develop and adopt innovations and bring them to market. Under REGI, CED invested \$11.9 million in 137 commercialization projects.

Évaluation Personnel Sélection International (EPSI)

CED granted \$250,000 in support to this Gatineau-based company, which is co-managed by a woman and specializes in digital human resources management platforms. The assistance is for the technological adaptation of the on-line survey platform, initially developed with the support of the National Research Council of Canada, and the commercialization of its products.

We also invested \$63.6 million in 156 organizations whose mission is to support SMEs at critical times in the realization of their business projects, including the adoption, adaptation and commercialization of technologies that will improve their productivity, accelerate their growth and enhance their competitiveness. This includes, for example, organizations in the clean technology field, organizations promoting technology transfer to SMEs and entrepreneurship within universities, as well as organizations supporting export or commercialization projects.

MECANIUM is a college technology transfer centre in the Beauce region

specializing in mechatronics and industrial process mechanization. It offers manufacturers information, training and technical support services for the development and implementation of technological innovation projects.

CED granted \$520,000 in assistance to strengthen its technology transfer capabilities to Chaudière-Appalaches manufacturing firms through the acquisition of digital equipment and advanced software.

Thanks to this equipment, SMEs will be able to test new production processes from an Industry 4.0 perspective.

Gender-based analysis plus

CED continued its efforts to align the design and delivery of its policies and programs with the Government of Canada’s equity and inclusion commitments and guidelines, as well as its Gender-based Analysis Plus (GBA+) framework, which was implemented in CED in 2018.

In 2020–2021, we contributed to GBA+ in the design of the Black Entrepreneurship Program (BEP), the Canadian Seafood Stabilization Fund (CSSF) and the Regional Relief and Recovery Fund (RRRF). We also led the work on two specific GBA+ initiatives to assess the impacts on various population groups in Quebec and to ensure that these initiatives contribute to inclusive growth in the regions. For example, the GBA+ for RATI has provided a better understanding of how this initiative will generate positive benefits in the particular context of the pandemic, especially in rural and remote communities. The GBA+ for INO funding supported the promoter’s efforts in implementing inclusive practices that encourage the participation of women and other target groups within the organization and with its clients.

In addition, as part of the collection of statistics on the gender and diversity of the main SME owners and the client base targeted by certain NPOs receiving financial assistance, CED reviewed and adjusted the voluntary self-declaration forms for all its programs to align them with the government’s orientations in terms of accessibility and inclusion. This framework has ensured the adoption of harmonized definitions within the RDAs, aimed at improving the transparency and validity of the data in order to better measure the scope and impacts of the initiatives on the various target groups and thus be able to use this information in the development of our programs and intervention parameters.

Experimentation

CED had not planned any new experiments in 2020–2021. Indeed, in this exceptional year, we devoted our efforts to properly managing the impact of the pandemic, both in the delivery of our programs and the management of and changes in working methods.

CED also contributes to the public service’s reflection on lessons learned and the sustainability of technological and operational advances made during the pandemic.

In 2020–2021, we began the evaluation of the *CED Fast Forward Challenge*. Launched in 2019, this experimental contest was aimed at encouraging innovative entrepreneurship among young engineering students and graduates. For example, one of the winning businesses has developed a prototype capable of collecting microplastic particles used to clean beaches. The newly created business is now targeting, in the short term, the West Coast of the United States and Canada and, in the medium term, international distribution.



The preliminary evaluation of the initiative allowed for some learning in the use of new program delivery modalities, agile project management, the application of GBA+ and the use of new communication methods. It also shows that the initiative is on track to achieve its intended results. The final results of the evaluation will be published in 2021–2022.

A survey of the ten winners that received grants revealed, among other things, that the funding they received contributed significantly to the success of their start-up project:

- half of the respondents said that their sales had increased as a result of CED support;
- two winners reported that the funding received was a powerful lever for finding additional funding; and
- one winner stated that the funding received allowed them to hire their first employee.

“The *CED Fast Forward Challenge* was an initiator, the spark plug of our business, it drove us forward.”

(A Fast Forward Challenge winner)

2030 Agenda for Sustainable Development

Through implementation of the Women Entrepreneurship Strategy (WES), CED has contributed to SDG 5, which aims to improve access by women-led businesses to the financing, talent, networks and expertise they need to start up, grow and access new markets. In 2020–2021, CED invested \$8.7 million in 39 women’s entrepreneurship projects. CED invests to guarantee the competitiveness of businesses and the vitality of communities in all regions of Quebec to ensure that its financial support promotes sustainable and lasting growth (SDG 8). As such, 855 projects were supported under its regular programs, representing annual investments of more than \$208 million. Finally, CED contributes to SDG 9, which is related to sustainable industrialization, rational and respectful use of resources and improved environmental performance of businesses, by providing financial support for projects to develop and adopt clean technologies. The value of exports by CED-supported clean technology development businesses reached \$209.8 million in 2020–2021.

Results achieved

Departmental results	Performance indicators	Target	Date to achieve target	2018–19 Actual results	2019–20 Actual results	2020–21 Actual results
R1: Quebec businesses are innovative and growing	Number of high-growth businesses in Quebec (by income)	2 620	March 31, 2021	2 620	NA*	3 030
	Value of Québec's goods exports	91,9 G\$	March 31, 2021	86,1 G\$	88,6 G\$	82,6 G\$
	Value of Quebec Clean Technology Exports	NA*	March 31, 2021	NA*	3,0 G\$	NA*
	Income growth rate of businesses supported by CED programs	6,0 %	March 31, 2021	4,7 %	NA*	NA*
R2: Communities are economically diverse in Quebec	Percentage of small and medium-sized businesses whose majority owners are women, Aboriginals, youth, members of visible minorities or people with disabilities, in Quebec	Women: 17,0 % Aboriginals 0,8 % Youth: 17,5 % Visible minorities: 5,0 % People with disabilities: 0,2 %	March 31, 2021	Women 16,2% Aboriginals 0,7 % Youth 17,5 % Visible minorities: 4,5 % People with disabilities: 0,2 %	Women NA* Aboriginals NA* Youth ND* Visible minorities: NA* People with disabilities: NA*	Women NA* Aboriginals NA* Youth NA* Visible minorities NA* People with disabilities NA*
	Percentage of professional jobs in science and technology in the Quebec economy	36,5 %	March 31, 2021	35,4 %	36,6 %	39,1 %
	Leverage effect per dollar invested by CED in community projects	2,20 \$	March 31, 2021	2,76 \$	2,24 \$	1,80 \$
R3: Companies invest in the development and	Value of research and development expenditures by companies receiving funding	25 M\$	March 31, 2021	36 M\$	62 M\$	32 M\$

commercialization of innovative technologies in Quebec	from a DEC program					
	Percentage of companies that participate in collaborations with higher education institutions in Quebec	19,0 %	March 31, 2021	22,9 %	NA*	23,1 %
* The term "Not Available" indicates that no data was released by Statistics Canada during this fiscal year.						

Budgetary financial resources (dollars)

2020–21 Main Estimates	2020–21 Planned spending	2020–21 Total authorities available for use	2020–21 Actual spending (authorities used)	2020–21 Difference (Actual spending minus Planned spending)
280 818 767	280 818 767	593 150 910	527 799 525	246 980 758

Human resources (full-time equivalents)

2020–21 Planned full-time equivalents	2020–21 Actual full-time equivalents	2020–21 Difference (Actual full-time equivalents minus Planned full-time equivalents)
184	189	5

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

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

Modernization and optimization projects aimed at making our processes and approaches more agile and robust were carried out in the business offices and at CED’s Head Office. This was the final year of implementation of the Horizon 2021 initiative, with several projects in the three transformational areas illustrated 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.

Here are some examples of projects conducted in 2020–2021:

1. One of the major initiatives of the digital strategy was implemented in 2020–2021, i.e. all new systems are now based on cloud services. This important advance allows CED to be more flexible, while ensuring data security and availability.

Transition of the financial system to the SAP financial management shared solution was delayed by one year for reasons beyond our control. However, this situation provided the project team with an opportunity to further analyze business processes and assess user impacts. These actions will facilitate and improve the integration of the solution in 2021–2022.

2. We continued to develop the new Grants and Contributions (G&C) program management solution at a good pace, despite the challenges posed by the pandemic. This technological solution will improve the management of our G&C projects and modernize our operational processes, notably by integrating a transactional portal that will promote 360° management of our services. The solution is expected to be rolled out in 2021–2022.
3. COVID-19 has strongly influenced the planning and prioritization of the activities of the innovation incubator, whose mandate is to develop, through experimentation, solutions aimed at improving departmental performance and efficiency. In 2020–2021, we redoubled our efforts to ensure that the department makes the digital shift and quickly adapts to a completely transformed work environment and client relationship. Several training sessions were offered, particularly on Microsoft tools, including Teams. The incubator then launched the *Digital Dexterity Hub*, a self-service platform for training and empowerment in respect of technology tools. These activities supported improved mobility for all employees in the organization.

In terms of service delivery support, the incubator piloted a solution to automate business intelligence exercises, assisted in the deployment of an electronic signature solution and supported the implementation of a new call centre to improve the experience and satisfaction of our external clients.

Budgetary financial resources (dollars)

2020–21 Main Estimates	2020–21 Planned spending	2020–21 Total authorities available for use	2020–21 Actual spending (authorities used)	2020–21 Difference (Actual spending minus Planned spending)
20 137 691	20 137 691	21 173 504	22 576 374	2 438 683

Human resources (full-time equivalents)

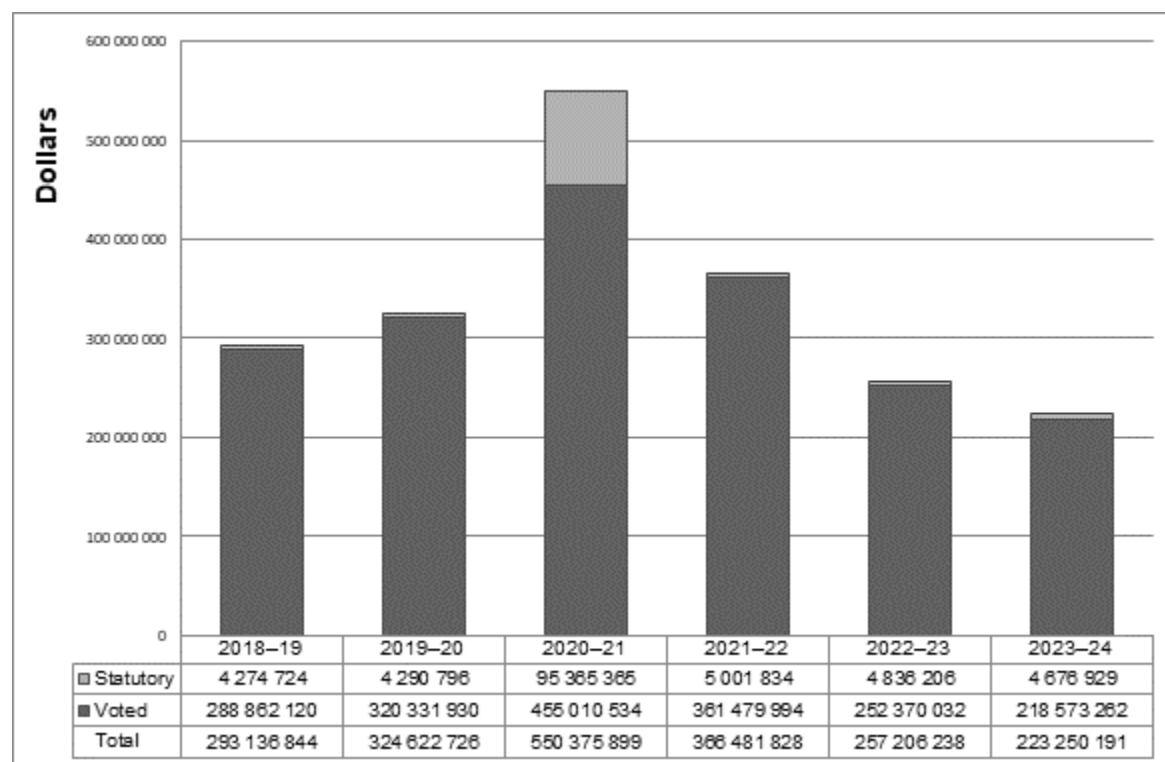
2020–21 Planned full-time equivalents	2020–21 Actual full-time equivalents	2020–21 Difference (Actual full-time equivalents minus Planned full-time equivalents)
156	170	14

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.



CED continually adapts to government priorities and the changing economic context in order to meet the needs of Quebec’s regions. As such, expenditures vary from year to year based on the specific, targeted initiatives that are launched or completed.

The increase in expenditures in 2020–2021 is thus explained by the launch of initiatives in response to the COVID-19 pandemic. They include the [Regional Relief and Recovery Fund](#)^{ix} (\$238.2 million spent) and the [Canadian Seafood Stabilization Fund](#)^x (\$3 million spent) and a \$3.1 million increase for the Women Entrepreneurship Strategy (WES). Other temporary and targeted initiatives ended on March 31, 2020, including the *Steel and Aluminium Initiative* and the *Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile*.

The significant decline in expenditures starting in 2022–2023 can also be explained by the fact that expenditures planned as of April 1, 2022 do not include the reinvestment of revenues from our clients’ repayable contributions, as the authorizations had not yet been received at the time this document was written.

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

Core responsibilities and Internal Services	2020–21 Main Estimates	2020–21 Planned spending	2021–22 Planned spending	2022–23 Planned spending	2020–21 Total authorities available for use	2018–19 Actual spending (authorities used)	2019–20 Actual spending (authorities used)	2020–21 Actual spending (authorities used)
Developing Quebec's economy	280 818 767	280 818 767	346 277 629	237 556 111	593 150 910	273 397 927	303 896 531	527 799 525
Internal services	20 137 691	20 137 691	20 204 199	19 650 127	21 173 504	19 738 917	20 726 195	22 576 374
Total	300 956 458	300 956 458	366 481 828	257 206 238	614 324 414	293 136 844	324 622 726	550 375 899

CED received additional funding during the year to support the Quebec economy in the face of the impact of COVID-19. Not all of these funds were spent in 2020–2021 and a portion of them were carried over to 2021–2022 to continue supporting SMEs and communities in the economic recovery.

In addition, a moratorium on repayments was granted to our clients in 2020–2021 due to the pandemic. This decrease in revenue collection could have an impact on the amounts reinvested over the coming years, particularly in 2022–2023.

Actual human resources

Human resources summary for core responsibilities and Internal Services

Core responsibilities and Internal Services	2018–19 Actual full-time equivalents	2019–20 Actual full-time equivalents	2020–21 Planned full-time equivalents	2020–21 Actual full-time equivalents	2021–22 Planned full-time equivalents	2022–23 Planned full-time equivalents
Developing Quebec's economy	180	180	184	189	195	187
Internal Services	142	154	156	170	175	167
Total	322	334	340	359	370	354

As with CED expenditures, the number of full-time equivalents (FTEs) varies according to government priorities and initiatives and the economic environment. The increase in FTEs in 2020–2021 is primarily due to new temporary and targeted initiatives launched by the government in the context of COVID-19. Requirements will also be higher in 2021–2022 and the additional FTEs will be used to deliver various initiatives, including the [Regional Air Transportation Initiative \(RATI\)](#).^{xi}

On the internal services side, additional resources were required to carry out various organizational modernization and optimization projects, including the digital strategy, which includes the development of CORTEX and the preparatory work for the deployment of the SAP financial management system.

Expenditures by vote

For information on the CED's organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2020–2021](#).^{xii}

Government of Canada spending and activities

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

Financial statements and financial statements highlights

Financial statements

CED's financial statements (unaudited) for the year ended March 31, 2021, are available on the [departmental website](#).^{xiv}

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, 2021 (dollars)

Financial information	2020–21 Planned results*	2020–21 Actual results	2019–20 Actual results	Difference (2020–21 Actual results minus 2020–21 Planned results)	Difference (2020–21 Actual results minus 2019–20 Actual results)
Total expenses	188 577 000	377 088 500	213 040 007	188 511 500	164 048 493
Total revenues	0	0	0	0	0
Net cost of operations before government funding and transfers	188 577 000	377 088 500	213 040 007	188 511 500	164 048 493
* CED's Future-Oriented Statement of Operations (unaudited) for the year ending March 31, 2021 ^{xvi}					

Expenses

- In 2020-2021, CED's total expenses were \$377.1M, an increase of \$164M from the previous year. This 77% increase is primarily due to an increase in contributions as a result of the Regional Recovery and Assistance Fund (RRAF).
- Transfer payment expenditures—totaling \$322.4M—increased by 99.7% from 2019-2020 to 2020-2021. Operating expenses total \$54.7M and are up 6% from last year.
- The variance of \$188.5M from the net planned expenses, is primarily due to the higher than expected transfer payment amount.

Revenues

- CED's revenue, returned to the Treasury Board, is declared in its financial statements as having been earned on behalf of the government. As a result, the organization's total net revenue is zero. In 2020-2021, CED's total gross revenues were \$619,602M, an increase of 15.7% over the previous year. Revenues consist mainly of interest charges on payments in default.

Condensed Statement of Financial Position (unaudited) as of March 31, 2021 (dollars)

Financial information	2020–21	2019–20	Difference (2020–21 minus 2019–20)
Total net liabilities	33,945,512	18,135,403	15,810,109
Total net financial assets	29,401,180	14,325,836	15,075,344
Departmental net debt	4,544,332	3,809,567	734,765
Total non-financial assets	3,074,731	2,797,191	277,540
Departmental net financial position	(1,469,601)	(1,012,376)	(457,225)

Liabilities

- As of March 31, 2021, CED's net liabilities totaled \$33.9M, an increase of 87.2% from 2019-2020. This increase is primarily due to the increase in net accounts payable and accrued liabilities which represent 86.6% (\$29.4M) of total net liabilities.
- Vacation pay and compensatory leave and employee future fringe benefits occupy 10.2% (\$3.5M) and 3.2% (\$1.1M) of the organization's net liabilities, respectively.

Assets

- As at March 31, 2021, net financial assets amounted to \$29.4M, an increase of 105.2% over the previous year's total assets. This increase is primarily due to the increase in amounts receivable from the treasury to pay liabilities (fringe benefits and accrued expenses) also increasing.
- In addition, CED's non-financial assets were \$3.1M at March 31, 2021, up 9.9% from the previous year. This increase is mainly due to the increase in property, plant and equipment.

Corporate Information

Organizational profile

Appropriate minister:

The Honourable Pascale St-Onge, P.C., M.P.

Minister of Sport and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec

Institutional head:

Manon Brassard

Enabling instrument:

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

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](#).^{xviii}

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

Operating context

Information on the operating context is available on [CED's website](#).^{xx}

Reporting framework

CED's Departmental Results Framework and Program Inventory of record for 2020–21 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](#).^{xxi}

Supplementary information tables

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

- ▶ Details on transfer payment programs
- ▶ 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](#).^{xxiii} This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs as well as evaluations and GBA Plus of tax expenditures.

Organizational contact information

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800 René-Lévesque West BLVD., Suite 500
Montréal (Québec)
H3B 1X9

Phone number: 514-283-6412

Fax : 514-283-3302

www.ced.canada.ca

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 Plus) (*analyse comparative entre les sexes plus [ACS Plus]*)

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 2020–21 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 Regional Relief and Recovery Fund – Quebec, <https://dec.canada.ca/eng/programs/regi/coronavirus-rrrf/index.html>
- ⁱⁱ Canada Seafood Stabilization Fund in Quebec, <https://dec.canada.ca/eng/programs/regi/coronavirus-support-fish-seafood-industry/index.html>
- ⁱⁱⁱ Regional Air Transportation Initiative in Quebec, <https://dec.canada.ca/eng/programs/qedp/rati/index.html>
- ^{iv} Canada’s COVID-19 Economic Response Plan, <https://www.canada.ca/en/department-finance/economic-response-plan.html>
- ^v Canada Economic Development for Quebec Regions, 2020-2021 Departmental Plan, <https://dec.canada.ca/eng/publications/dp/2020-2021/403/index.html>
- ^{vi} Regional economic growth through innovation, <https://dec.canada.ca/eng/programs/regi/index.html>
- ^{vii} Community Futures Program, <https://dec.canada.ca/eng/programs/cfp/index.html>
- ^{viii} GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- ^{ix} Regional Relief and Recovery Fund – Quebec, <https://dec.canada.ca/eng/programs/regi/coronavirus-rrrf/index.html>
- ^x Canada Seafood Stabilization Fund in Quebec, <https://dec.canada.ca/eng/programs/regi/coronavirus-support-fish-seafood-industry/index.html>
- ^{xi} Regional Air Transportation Initiative in Quebec, <https://dec.canada.ca/eng/programs/qedp/rati/index.html>
- ^{xii} Public Accounts of Canada, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- ^{xiii} GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- ^{xiv} Canada Economic Development for Quebec Regions, <https://dec.canada.ca/en/departmental-publications/financial-statements-as-of-march-31-2021/>
- ^{xv} *Idem.*
- ^{xvi} Canada Economic Development for Quebec Regions, <https://dec.canada.ca/en/departmental-publications/future-oriented-statement-of-operations-unaudited-for-the-year-ending-march-31-2021/>
- ^{xvii} GC Justice Laws Website, <https://laws-lois.justice.gc.ca/eng/acts/e-1.3/index.html>
- ^{xviii} Canada Economic Development for Quebec Regions, <https://dec.canada.ca/en/about-ced/>
- ^{xix} GC Mandate letters, <https://pm.gc.ca/en/mandate-letters>
- ^{xx} Canada Economic Development for Quebec Regions, <https://dec.canada.ca/en/departmental-publications/2020-2021-departmental-results-report/>
- ^{xxi} GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- ^{xxii} Canada Economic Development for Quebec Regions, <https://dec.canada.ca/en/departmental-publications/2020-2021-departmental-results-report/>
- ^{xxiii} Report on Federal Tax Expenditures, <https://www.canada.ca/en/department-finance/services/publications/federal-tax-expenditures.html>