

Evaluation of the Atlantic Canada Opportunities Agency's Economic Development Programs (2018 to 2022)

Business Development Program
Atlantic Innovation Fund
Innovative Communities Fund

Final Report
November 20, 2023



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Canada

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The evaluation team is grateful to ACOA's clients and staff, as well as external key informants for their generous contributions of time and knowledge to this study.

Thank you!



**Building a
stronger
economy
together**

What is an Evaluation?

An evaluation provides Canadians with an evidence-based, neutral assessment of the relevance, effectiveness and efficiency of government policies and programs.

It also provides senior management with recommendations aimed at continuously improving policies, programs and operations.

The Team

ACOA's Evaluation and Advisory Services team conducted the evaluation between January 2022 and February 2023.

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Executive Summary

This report presents the results of an evaluation of the Atlantic Canada Opportunities Agency's (ACOA) economic development programs, namely the Business Development Program (BDP), the Innovative Communities Fund (ICF) and the Atlantic Innovation Fund (AIF). The study covered broad evaluation themes related to relevance and performance. The programs were not evaluated in isolation, but rather were examined through the lens of their relative value and ongoing contribution to Agency outcomes in the context of the Regional Economic Growth through Innovation (REGI) program. It also took into consideration the rapidly-evolving and inter-connected nature of current economic barriers as well as the impacts of the COVID-19 pandemic on the ability of the Agency to deliver its core programming.

Conclusions

- **Innovative Communities Fund:** Budget 2023 reaffirmed that rural communities are “a driver of economic growth, and home to a wide range of industries including agriculture, mining and tourism”.¹ With a large percentage of Atlantic Canada’s population residing in small rural communities, the evaluation found that there continues to be a need for dedicated programming focused on supporting their growth. ICF offers unique place-based programming that responds to the specific needs of Atlantic Canadian communities. There is an opportunity to increase focus on investments that build the capacity of communities, especially in those areas that drive population growth and retention.
- **Business Development Program:** Compounded by the COVID-19 pandemic, the greatest barriers to economic growth are evolving rapidly and becoming increasingly inter-connected. BDP’s relative value lies in its flexibility which allows the Agency to provide regionally-relevant programming that is responsive to emerging opportunities and barriers. It has also proven to be an effective vehicle through which to rapidly flow relief and recovery funding critical to the survival of Atlantic Canadian businesses. There is, however, an opportunity to clarify program expected results.
- **Atlantic Innovation Fund:** With dwindling investments in recent years, along with the introduction of REGI as the Agency’s primary innovation program and recently announced changes to the federal government’s approach to supporting innovation, the evaluation found that AIF is no longer relevant or contributing to the achievement of Agency outcomes.

Recommendations

1. Ensure the continued alignment of key Agency priorities and resources with current drivers of economic growth and the barriers that constrain it:

- Building upon work done pre-pandemic, clarify the Agency's path forward for addressing the skills and labour shortage
- Streamline the Agency's suite of programming and reduce redundancies by eliminating AIF
- Develop and implement a comprehensive, proactive path forward for the Agency's approach to inclusive growth
- Develop a coordinated approach to supporting SMEs address barriers related to supply chain disruptions

2. Implement an integrated change agenda that supports excellence in program delivery and accurate tracking and reporting of investments:

- Ensure availability of high-quality data related to the nature of projects and their impacts on the Atlantic Canadian economy
- Ensure reliable data is available on the profile of the Agency's client base in terms of representation of diverse groups
- Remove barriers and streamline processes to help program delivery staff continue to provide excellent service to clients and do their jobs more efficiently
- Increase support for crucial role staff play in convening, pathfinding and coordinating ecosystem partners and advocating for needs of businesses and communities
- Update internal program governance documentation to clarify expected results and eligible activities of each program

Why it matters: As the federal government department responsible for economic development in Atlantic Canada, it is important for ACOA to be able to rapidly pivot in response to evolving economic conditions and Government priorities (e.g., Green Economy) and ensure its programs, policies and processes remain aligned with the factors that drive economic growth and address the barriers that constrain it. To do this, senior management needs access to real-time, reliable data on the nature of the projects in which the Agency invests and the impacts they are having on the economy. Reliable project data also supports the Agency's ability to ensure its programs are aligned with Government of Canada priorities and are meeting the needs of diverse groups. Lack of reliable data also limits the ability of evaluations to accurately assess the relevance and performance of the programs.

The introduction of REGI fundamentally changed the way the Agency uses its flagship program, BDP. With the large majority of commercial investments now being funded through this new program, it is timely for the Agency to re-think its suite of programming with a view to ensuring that programs are optimized and are being put to their highest and best use. This means eliminating programs such as AIF that are no longer contributing to outcomes and in the case of BDP, it means leveraging its flexibilities to offer regionally-relevant solutions to local economic challenges. For ICF this means increasing investments in projects that improve the capacity of communities to seize opportunities that drive population growth. To do so will require a common understanding of the broad results each program is expected to achieve, and the types of projects it is intended to support.

This symbol is used throughout the report to identify areas where there are opportunities to improve the availability or reliability of project data or program information.

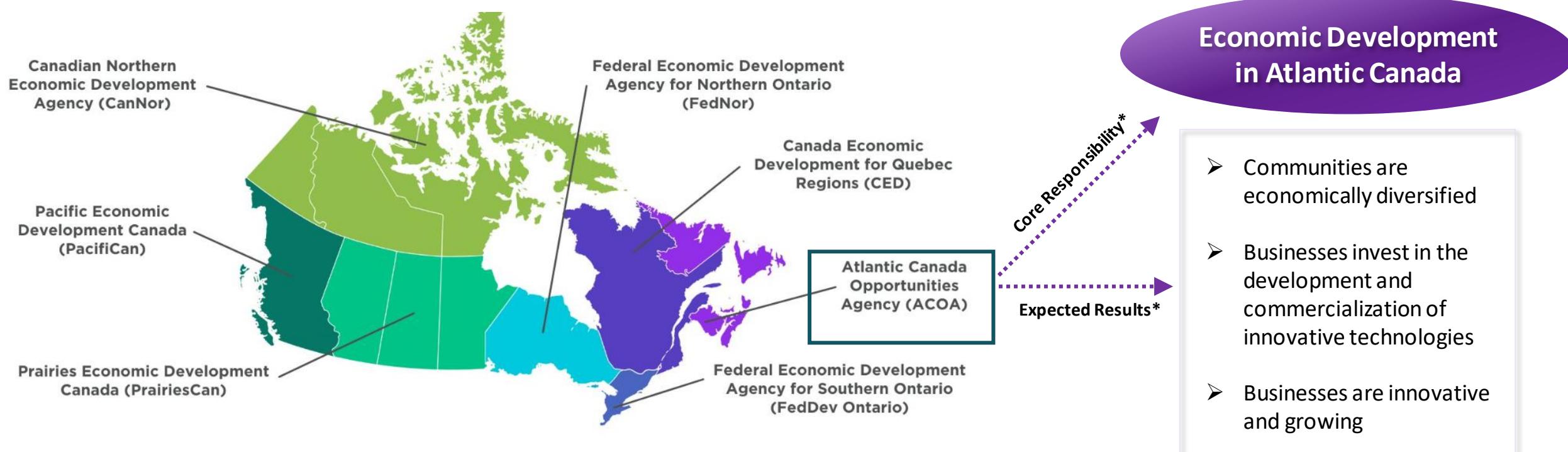


The Agency

Context

ACOA is one of seven federal Regional Development Agencies (RDAs) in Canada that provide regionally-tailored programs, services, knowledge and expertise with aims to address economic challenges and opportunities.² ACOA's mandate is "*to increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned incomes and employment opportunities in that region*".³

ACOA works with small and medium-sized businesses (SMEs), communities, organizations and regional stakeholders to strengthen the Atlantic economy through programs that focus on Economic Development, Community Development as well as Policy, Advocacy and Coordination.⁴



The Evaluation

Context

Purpose

This evaluation responds to accountability requirements under the [Policy on Results \(2016\)](#) and the [Financial Administration Act \(1985\)](#) by assessing the relevance, effectiveness and efficiency of the Agency's economic development programs.

The evaluation also provides recommendations to ACOA's senior management on proposed actions that would contribute to the continuous improvement of the Agency's policies, programs and operations.

Scope

The evaluation examines grants and contributions made under the following transfer payment programs⁵ between **April 1, 2018 and March 31, 2022**:



[Atlantic Innovation Fund](#)



[Business Development Program](#)



[Innovative Communities Fund](#)

Methodology*

To answer the evaluation questions, the team:

- ✓ Reviewed internal documents and recent literature
- ✓ Analyzed internal project data
- ✓ Surveyed clients and staff
- ✓ Interviewed internal and external key informants

Evaluation questions

1. Relevance**

- a. To what extent do ICF and BDP address current and emerging needs of Atlantic Canadian SMEs and communities?
- b. To what extent does AIF address a demonstrable need?
- c. To what extent are programs aligned with current Government of Canada and ACOA priorities?
- d. To what extent are the programs unique or complementary to other program offerings internally and externally? Do any areas of overlap or duplication exist?
- e. What would be the impact of the absence of the programs?

2. Effectiveness**

- a. To what extent do BDP, AIF and ICF contribute to:
 - Sustainable economic development of communities;
 - Increased SME productivity and capacity for growth and innovation along the growth continuum (including export development) and leveraging of investments; and
 - Strengthened regional ecosystem that supports high growth, innovative and competitive firms?
- b. To what extent did the introduction of new programs (i.e., REGI, COVID-19 relief) impact the achievement of program outcomes?
- c. To what extent do ACOA's non-financial supports contribute to the achievement of outcomes?

3. Efficiency**

- a. What factors facilitate or impede efficient program delivery?
- b. How has the introduction of REGI impacted the efficiency and effectiveness of program delivery?

The Programs

Context



Business Development Program

Atlantic Innovation Fund

Innovative Communities Fund

Regional Growth through Innovation

Purpose	Create opportunities for economic growth in Atlantic Canada by helping SMEs become more competitive, innovative and productive. Work with communities to develop and diversify local economies and champion the strengths of the region.	Strategic investments in research and development (R&D) initiatives in the area of natural and applied sciences, as well as social sciences, humanities, and arts and culture. Projects are expected to result in the successful adaptation or development as well as the commercialization of technology-based products, processes or services.	Support strategic initiatives that respond to the economic development needs of communities . The ICF focuses on investments that lead to long-term employment and economic capacity building in rural communities.
Clients	Commercial and non-commercial (e.g., SMEs, crown corporations, provincial/municipal governments, post-secondary educational institutions, Indigenous organizations)	Commercial and non-commercial (e.g., SMEs, post-secondary educational institutions, industry associations, research institutions, crown corporations)	Non-commercial (e.g., municipal governments, industry associations, economic development organizations, local co-operatives, post-secondary educational institutions, Indigenous organizations)
Type	Non-repayable, conditionally repayable and fully repayable contributions	Non-repayable contributions	Although beyond the scope of this evaluation, the introduction of REGI changed the Agency's approach to supporting innovation and is included for context throughout this report.

Year introduced:

1995

2001

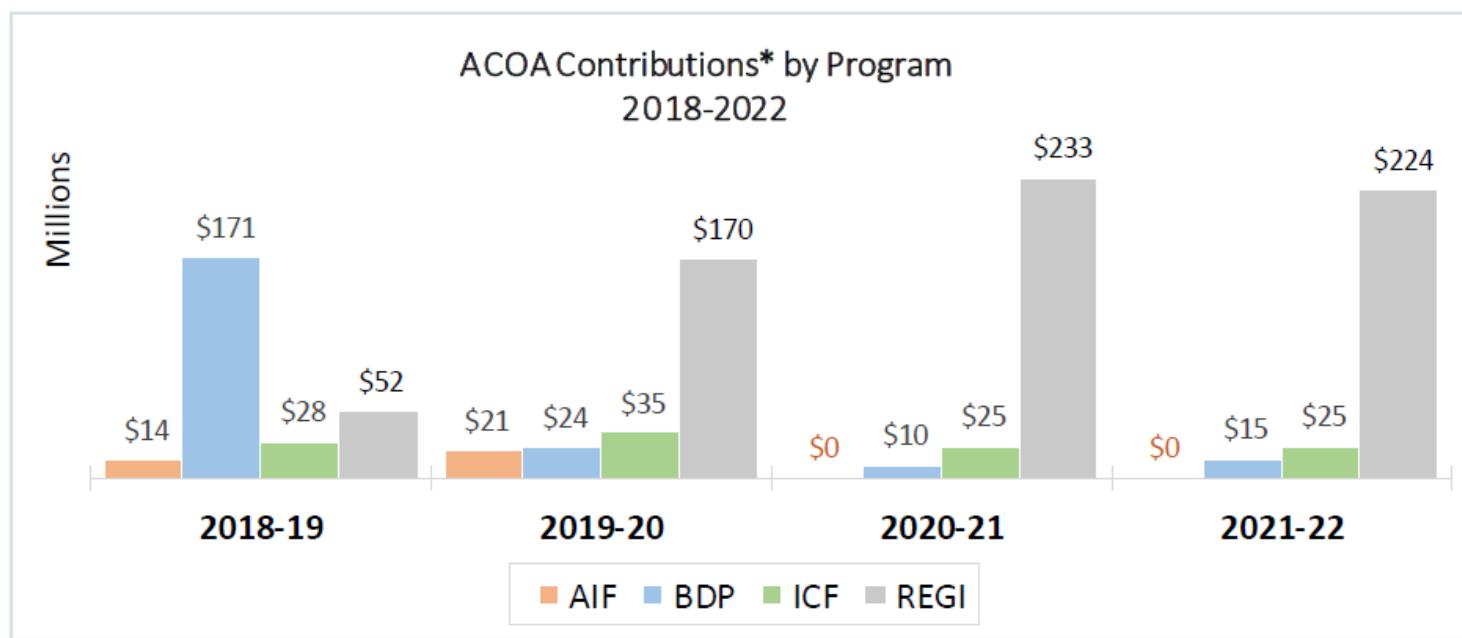
2005

2018

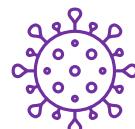
Delivery approach

In addition to financial contributions, ACOA clients have access to non-financial supports throughout the project life-cycle. Program officers provide tailored advice and guidance, convene stakeholders and help with pathfinding and leveraging additional sources of funding from ACOA offices located in communities across all four Atlantic provinces.

Since the introduction of REGI in 2018, overall BDP and AIF contributions have declined steeply, while ICF contributions have remained relatively stable. REGI now accounts for the largest proportion of funds and projects across ACOA's suite of programming.⁶



Totals: 2018 to 2022		
	Number of projects	Contributions (millions)
AIF	10	\$35
BDP	1,129	\$220
ICF	412	\$113
Total	1,551	\$368
REGI	2,663	\$679



Key factors that impacted delivery over the five-year period include the introduction of REGI as well as the economic impacts of the COVID-19 pandemic. Although not within scope of this evaluation, some clients who received funding from AIF, BDP or ICF during the period covered by the evaluation may have also received support through [COVID-19 support programs](#) delivered by the Agency.

The Atlantic Canadian Economy 2018-2022

Context



Population^{7,8,9}

The population of Atlantic Canada has grown in the last 5 years. This is largely due to an increase in net migration. More people are moving to the east coast from other parts of the country than leaving, and more people are migrating from other countries. While almost half of the population resides in rural areas, the urban population continues to grow at a faster pace.

Employment^{10,11,12,13}

Even with the turbulence created by the COVID-19 pandemic, more people were employed in March 2022 compared to April 2018. The unemployment rate also dropped in all four Atlantic provinces during this period although rural areas continue to have the highest proportion of the labour force without a job. They also tend to have lower salaries compared to urban areas. **Compared with 2018, more employers were seeking workers to fill job vacancies in the Atlantic region by the end of the period (2022).**



Inflation^{14,15,16}

The cost of goods and services has increased in Atlantic Canada since 2018, reaching record highs above the national average following the onset of the COVID-19 pandemic, which **constrained consumer spending and impacted businesses and communities.**

Housing^{16,17,18,19}

The number of housing units in construction is up from 2018 in Atlantic Canada while vacancy rates have decreased in all provinces except PEI. Housing prices have also increased since 2018 due to inflation and overheated markets following the COVID-19 pandemic. **The availability of rental units in rural areas remains low.**



Trade and Export^{20,21}

Despite the COVID-19 pandemic, **wholesale trade and domestic exports are up from 2018** in all four Atlantic provinces.



Summary of Findings

Relevance

Relevance questions are designed to assess the extent to which the programs are aligned with current needs and priorities, as well as their relative value compared with other available programs.

What we found:

Compounded by the COVID-19 pandemic, the **greatest barriers to economic growth** are evolving rapidly and becoming increasingly complex and interconnected. There is an opportunity to clarify expected outcomes of programs and ensure Agency priorities and resources are aligned with current needs and barriers. There is also an opportunity to improve the availability of reliable data on the nature and impacts of funded projects.



With the bulk of innovation-focused projects now being funded through REGI, and no AIF contributions in the last two years of the study, **AIF** is no longer meeting a demonstrable need.



The ongoing relevance of **BDP** has become less apparent, especially with respect to commercial projects, with the large majority of contributions shifting to REGI. However, BDP's flexibility remains a key strength of the program that allows the Agency to adapt to these rapidly evolving needs especially with respect to types of projects and contribution limits.



There continues to be a need for dedicated programming aimed at supporting community development. **ICF** remains relevant as it offers unique programming that responds to the specific needs of Atlantic Canadian communities related to infrastructure and capacity-building.



Greatest barriers to economic growth *

COVID-19

Labour shortage



Supply chain disruptions

Access to Capital

Advanced manufacturing

Community capacity

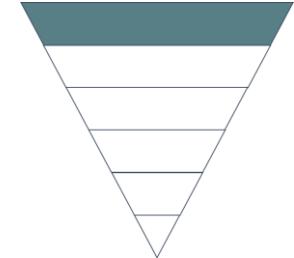


Infrastructure

Labour Shortage

Relevance

Difficulty recruiting and retaining labour remains the greatest barrier to economic growth in Atlantic Canada and is exacerbating many other barriers. Progress has been made; however, opportunities remain to clarify the Agency's approach to supporting the workforce of the future.



The barrier:

Despite an increase in employment in the region in 2021, many sectors did not recover the jobs lost in 2020 due to the COVID-19 pandemic.²² The problem also continues to be aggravated by the region's ageing population²³, low birth rates²⁴, and high rural concentration.²⁵

Rural communities continue to face unique challenges:



Rural communities have an even greater disadvantage as they traditionally have higher rates of unemployment, lower levels of education, lower wages, more seasonal industries and limited access to broadband internet.

Indigenous populations living in rural areas, also continue to face disproportionate barriers to employment.²⁶

Lack of affordable housing is having a negative impact on retention of workers, including immigrants.²⁷



- One third (n=206) of clients indicated that a lack of affordable housing impacted growth, the large majority (75%) of whom were in communities with **less than 30,000 people**
- **ACOA program officers agree**, ranking housing among the top 3 greatest barriers to growth

How the programs respond:

Over the period of the evaluation, the Agency undertook several studies with the goal of developing a path forward for prioritizing and responding to the region's skills and labour shortage. One study, which concluded shortly after the start of the COVID-19 pandemic, consisted of an extensive categorization and recoding of approved contributions over a 32-month period from 2017 to 2019. It found that **16% of Agency funding** (32% of projects) had a skills and labour component, and the large majority of these projects focused on developing entrepreneurial skills. There is an opportunity to leverage these studies to help inform the Agency's path forward for supporting the workforce of the future.



The Agency does not currently have reliable mechanisms in place to track its contributions towards addressing Atlantic Canada's labour shortage. As such, we are **unable to assess** the extent to which ACOA responded to this barrier over the period.

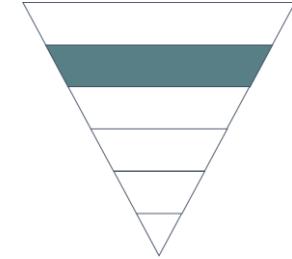
Immigration

Immigration plays an important role in supporting labour force growth, and ACOA continues to participate in the Atlantic Immigration Program. Overall Agency contributions to immigration-related projects **decreased over the period**, however. Historically funded through BDP, contributions have largely shifted to ICF and REGI, and by the final year of this study (2021-22), the Agency invested **\$2M** in eight (**8**) projects related to immigration. In a survey, ACOA program officers suggest that newcomers' needs are being met to a lesser extent compared with other diverse groups.

Supply Chain Disruptions

Relevance

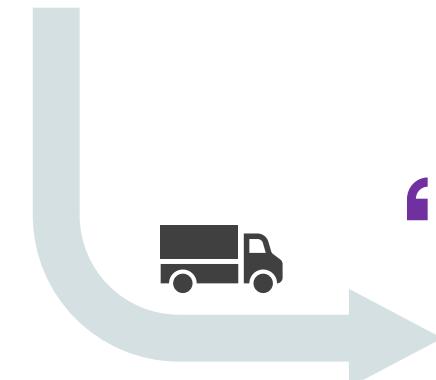
Disruptions to global supply chains, largely resulting from the COVID-19 pandemic, are having a significant impact on economic growth. There is an opportunity to develop a coordinated approach to supporting SMEs address barriers related to supply chain disruptions.



The barrier:

Global supply chains are facing the worst shortages in 50 years due to the pandemic and the war in Ukraine.²⁸ These challenges stem primarily from COVID-19 stay-at-home orders, worker shortages, transportation issues (e.g., increased freight prices due to significant growth in e-commerce sales) and increasing gas prices.²⁹

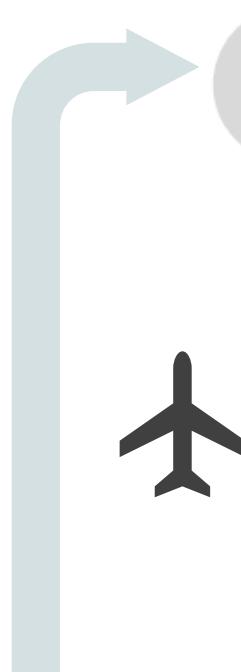
A review of recent literature suggests that smaller companies were impacted faster and harder than larger firms:



“

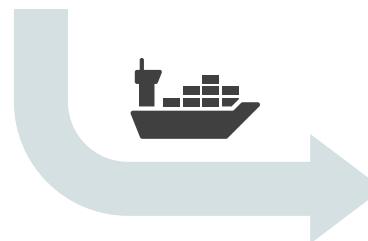
SMEs generally have smaller inventories and supplier networks making them more vulnerable to supply chain disruptions and price increases. Similarly, they have less bargaining power to enforce attractive payment conditions.³⁰

OECD (2021)



ACOA clients and staff agree:

Just over half (51%; n=495) of ACOA clients reported that supply chain issues are having an impact on growth, and ACOA program officers ranked supply chain issues among the **top 3** greatest barriers to growth.



Impact of labour shortage:

“The pandemic also highlighted the need for better data in the supply chain. The main barrier to more adoption of the required advanced analytics for supply-chain management is the **talent required to implement the technologies.**”³¹

How the programs respond:

Given the relatively recent emergence of supply chain disruptions as a key barrier, data on Agency contributions are limited. There is an opportunity to ensure Agency priorities and resources are aligned with and addressing rapidly emerging barriers such as this.

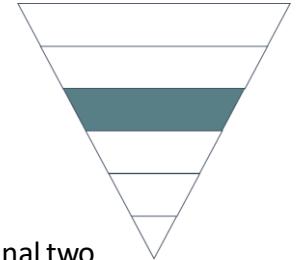


Improved reliability of data on the nature of funded projects would enable the Agency to demonstrate how it is responding to emerging barriers and the extent to which resources are allocated to addressing those issues that are limiting economic growth in Atlantic Canada.

Access to Capital

Relevance

The cost of doing business is rising rapidly, making access to capital more important than ever. The majority of Agency contributions have shifted to REGI, with BDP and ICF now primarily supporting non-commercial projects related to tourism and regional priorities.



The barrier:

In response to rapidly increasing costs of inputs such as **energy, materials, capital and fuel** due to rising inflation and interest rates, SMEs need greater access to capital in order to remain competitive. ACOA clients were over-represented in some of the hardest hit sectors of the COVID-19 pandemic (e.g., tourism, manufacturing).³²

Nearly half of ACOA clients (46%; n=281) said that obtaining financing was a key challenge and this response was greatest among **smaller, non-commercial** firms, those in **high-tech** sectors and those located in **small population** centers (<30,000 people).

Input from internal and external key informants, as well as a review of available literature reveals a need for additional **early-stage R&D** funding in the ecosystem, especially smaller amounts (less than \$1M) to support early collaborations and small-scale studies.

Labour shortage



Access to capital is also needed to help offset the relatively high cost of adoption of **advanced manufacturing and digitalization**, which helps mitigate the effects of the labour shortage.

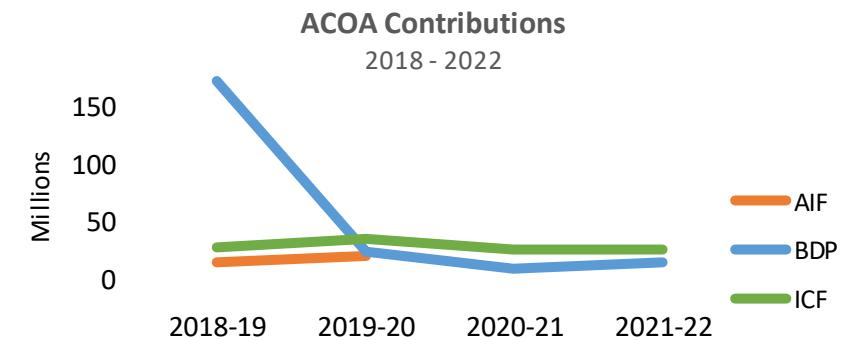
In addition, increased **wage pressures and competition** (largely brought on by the move towards remote-work arising from COVID-19) are driving up the cost of labour, which makes it more difficult for Atlantic Canadian businesses to remain competitive.

How the programs respond:

AIF contributions decreased drastically, with no projects approved in the final two years of the period, and only 10 projects totaling just \$35M in the first two years.

BDP contributions also decreased considerably over the period, mostly due to a drastic drop in commercial projects, with only six (6) commercial projects funded by the final year of the study (2021-22). In fact, 92% of Agency commercial contributions were funded by REGI that year. The majority of BDP projects (66%) supported **tourism and regional priorities**. The average BDP project size was \$195K and the majority of clients were not-for-profit organizations.

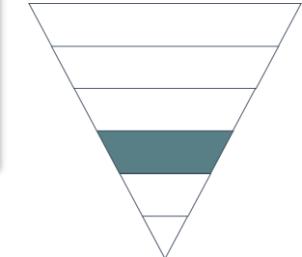
ICF contributions remained relatively stable over the period, and the majority of projects (78%) were also in support of **tourism and regional priorities**. All ICF projects were non-commercial, and the average size was \$275K. The program supported mostly not-for-profit organizations or charities, Indigenous communities, educational institutions and other levels of government.



Advanced Manufacturing

Relevance

Advanced manufacturing is a crucial ingredient for increasing productivity and competitiveness and is considered part of the solution to the labour shortage. High costs and a lack of skilled labour pose barriers to adoption, however. The Agency continues to prioritize and promote advanced manufacturing primarily through REGI.



The barrier:

Advanced manufacturing is the use of innovative technology to improve products or processes. It can improve productivity, however the high costs typically associated with adoption of new technology and processes can be a barrier for SMEs. The smaller nature of firms in Atlantic Canada also acts as a barrier to the adoption of new technologies.³³ Atlantic Canadian companies (especially SMEs) lag other provinces in terms of digitalization, which hinders competitiveness, productivity and resiliency.^{33,34,35} While the COVID-19 pandemic accelerated the adoption of online sales models, the move to virtual work models further compounded challenges related to labour.



Adoption of advanced manufacturing is considered a necessary step in response to the labour shortage. The labour shortage in turn, hinders adoption of advanced manufacturing, as clients report challenges with recruiting and retaining skilled labour in the fields of digitalization and automation (e.g., IT, robotics).

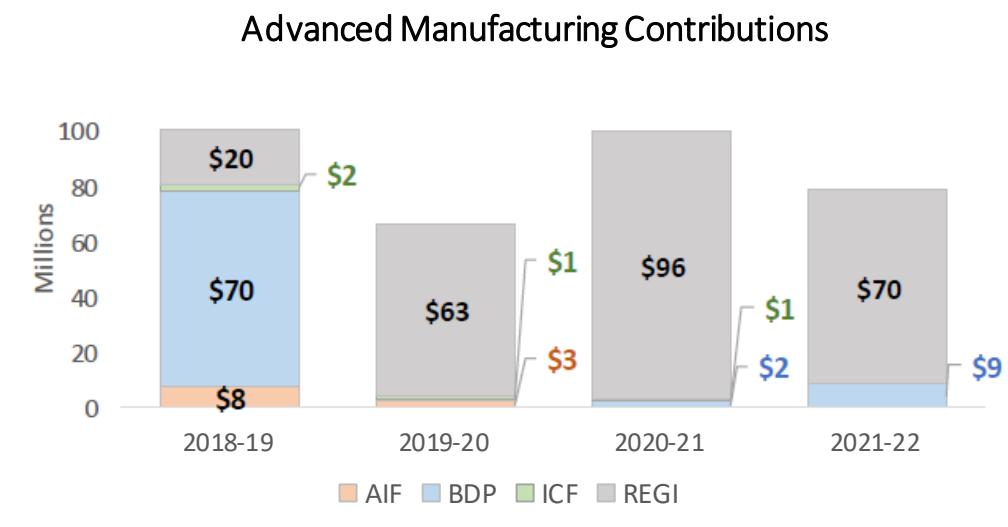
“ *The difficulties many of our clients were facing in recruiting and retaining skilled labour to support the adoption of digitalization have only grown with the expansion of virtual work across the globe.* **”**

- ACOA Program Officer

How the programs respond:

Over the period, the Agency invested in advanced manufacturing projects more than any other priority area, representing **22% of overall Agency contributions**.

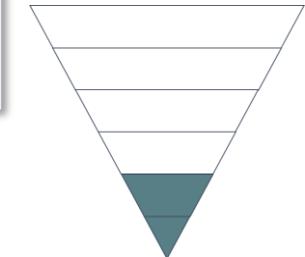
With the large majority of funding transitioning to REGI, overall Agency support for advanced manufacturing remained **relatively stable**.



Community Capacity and Infrastructure

Relevance

Communities face barriers related to their capacity to respond to opportunities and challenges and invest in infrastructure. ICF is generally aligned with these barriers, however there is an opportunity to increase support for capacity-building.



The barrier:

Each of the four provinces within Atlantic Canada varies widely in terms of key industries, strengths and challenges. Key informants pointed to the importance of supporting the capacity of communities through **place-based approaches** to economic development that are aligned with the unique opportunities and threats that exist in individual communities.

ACOA clients also pointed to the importance of funding for infrastructure in helping their community to be more attractive and productive, factors that contribute to recruiting and retaining labour. The need is greatest for not-for-profit organizations and municipal governments in small or rural communities **with less than 30,000 people**. Limited access to broadband internet also remains a challenge in remote locations.

COVID-19 impacts

Clients reported particular barriers for the construction sector related to rapidly rising costs arising from the pandemic, and closely linked to supply chain disruptions. At the same time, the pandemic presents an opportunity to advance new place-based approaches to community development and entrepreneurship.³⁶ “Many rural communities are experiencing ‘newcomers’ who can be immigrants, former residents retiring or moving ‘home’, and migrants seeking experience of rural life. This cosmopolitanizing is bringing new diversity in expectations of and ideas about rural life.”³⁷



How the programs respond:



Innovative Communities Fund

Over the period, ICF mainly supported projects related to **tourism and regional priorities**, which aim to address the unique needs and strengths of each region and support place-based economic development. The majority of ICF contributions (75%; \$79M) were for projects related to **infrastructure**, and the remaining 25% (\$27M) supported **capacity building** of communities. In 2021-22, an additional \$37M of COVID community infrastructure recovery funding was also delivered through the [Canada Community Revitalization Fund](#) (CCRF).



A majority (60%; n=30) of surveyed ACOA program officers agreed that the outcomes of the ICF program are aligned with the needs of communities.



Business Development Program

We are unable to assess BDP’s contributions to building capacity of communities or improving community infrastructure due to a lack of reliable internal project data.



The Atlantic Innovation Fund

Relevance

When AIF was launched over two decades ago, it represented a relatively new model for supporting innovation. Initially focused on large-scale non-commercial R&D projects, over time the program gradually evolved towards greater support for commercialization, and responsibility for R&D largely transitioned to other federal departments.



2001: AIF is launched

The Atlantic Innovation Fund was launched in 2001 as part of the Atlantic Innovation Partnership. The **\$300 million** fund was originally a **five-year** initiative, to be delivered via two large competitive rounds (approximately \$150M per round).

AIF was originally created with the broad goal of helping close the Atlantic region's innovation and productivity gap and to help institutions and firms compete in the knowledge economy. Through AIF, the Agency would invest in large-scale, cutting-edge R&D projects with amounts ranging from **\$500K to \$3M**.

The fund was initially focused on **capacity building** and **earlier-stage R&D** projects with academic and research institutions, with more than 70% of Round 1 funding awarded to non-commercial proponents. Subsequent rounds saw a greater balance between commercial and non-commercial projects and a transition from early-stage R&D towards commercialization.



2004: Evaluation #1

The first evaluation of AIF found that it was a good model and addressed an actual need. It recommended that the Agency monitor its niche within Atlantic Canada with respect to other programs to ensure that it **continues to be relevant** and to address an actual gap. It also recommended that ACOA look for ways to **streamline** the review and approval process to ensure it was moving at the speed of business.



2005: AIF is renewed

Budget 2005 renewed AIF for an additional \$300M over four years. From 2006 to 2009, funding was awarded through four **smaller rounds** (approximately \$60M per round).



2010: AIF becomes ongoing program; Evaluation #2

Budget 2010 announced that AIF would become an ongoing program. That same year, ACOA completed its second evaluation of AIF, which covered the first four rounds from 2001 to 2007.

While the evaluation findings were generally positive, it recommended the Agency expand its innovation strategy to increase its **focus on commercialization** and implement more **streamlined** application, approval and reporting processes.

The evaluation also noted that while there had been a significant increase in R&D investment by Atlantic Canadian firms over the period, spending on R&D in the region was still well **below the national average**.





2014: AIF is refocused

In 2014, the federal government's Economic Action Plan confirmed \$450M over five years for ACOA to support innovation and commercialization under its current suite of programs and suggested that ACOA's innovation programs be **refocused to better suit the needs of business of all sizes**.

Also in 2014, changes were made to AIF following an internal review of ACOA's innovation programming. In an effort to ensure a more "**robust, streamlined and accessible approach**", the application process was changed from an annual competitive process to a **continuous intake** model. Also included was a shift toward greater commercial applicant uptake and a stronger emphasis on projects **closer to commercialization** (improving access for smaller-scale projects). The funding threshold was **lowered from \$1M to \$500K** for commercial projects, and there was an enhanced focus on improving competitiveness through technology **adaptation**.



2015: Evaluation #3

The following year, a **third evaluation** of the Agency's innovation programming confirmed the program was shifting away from R&D capacity-building toward a greater emphasis on **commercialization** and observed that **other federal programs** appeared to be focusing more heavily on earlier-stage R&D.



2018: REGI is launched across RDAs

Following the national [Horizontal Business Innovation and Clean Technology Review](#), Budget 2018 saw the creation of REGI, solidifying RDAs as one of four national flagship platforms for innovation*. REGI was designed to allow RDAs to move away from R&D towards commercial innovation that focuses on **technology demonstration, adoption and adaptation, commercialization and market expansion as well as productivity and scale up**. It would also allow RDAs to continue to focus on non-commercial innovation that supports the regional **innovation ecosystem**. It was also expected that the program would be used to fill gaps in earlier R&D stages on an as-needed basis to support regional clusters.

At the time, it was decided that AIF would be maintained in parallel to REGI to **maximize benefits from national R&D programs and build on the momentum of rising business expenditures in R&D** in the Atlantic region, which remain below national levels. It would keep its \$40M yearly budget with no changes to application, assessment or approval processes.



2020: Evaluation #4

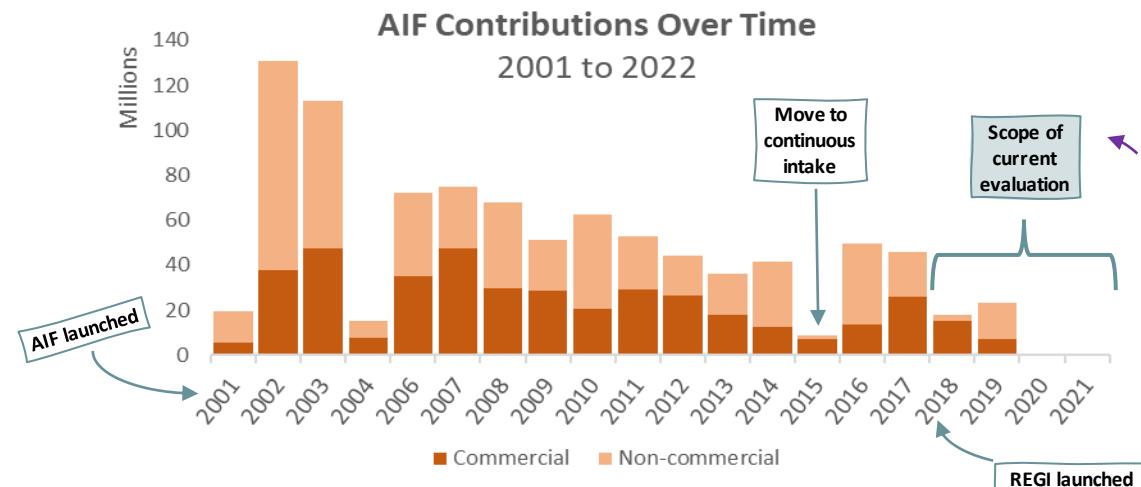
In 2020, an evaluation of ACOA's Innovation programming recommended that the Agency examine AIF in relation to the current needs of SMEs and the priorities of the Government of Canada to **confirm the strategic direction** for the program. It went on to suggest that eliminating AIF would allow ACOA to streamline its suite of programming while at the same time doubling down on ongoing efforts, mainly via REGI, to support **various type of business innovation** (e.g., product, service, process, marketing), depending on firms' unique strategies, markets and customers.



AIF Current Situation

Relevance

Given the program's evolution towards commercial innovation over time, and with minimal investments since the introduction of REGI, AIF is no longer meeting a demonstrable need and is no longer aligned with federal government priorities.



And now, with only 10 projects totaling just \$35M in the first two years of the period covered by the evaluation, and no projects approved in the final two years, **AIF is no longer responding to needs related to innovation and commercialization**.

Over the period of the evaluation, the average project size was \$3.6M, and while the \$35M was split fairly evenly between commercial and non-commercial projects, commercial projects were on average, much smaller in size (\$2M) compared with non-commercial projects which averaged \$6M. The majority (7 of 10) were related to R&D, and half of them contributed to Advanced Manufacturing.

Internal perspective on AIF:

When asked about the impacts of the lack of investments under AIF, many internal key informants suggested that the transition away from early-stage R&D towards commercialization, the need for programs to move at the speed of business and the inherent flexibilities afforded by REGI and BDP, effectively render AIF redundant. Furthermore, the impact of the absence of AIF in its current form would be negligible as it is no longer being used to fund projects.

»»» The future of innovation programming

Originally announced as part of Budget 2022, on February 16, 2023, the federal government released a blueprint for the new [Canada Innovation Corporation](#) (CIC). The new agency is expected to begin operations in 2023 with a mandate “*to increase Canadian business expenditure on R&D across all sectors and regions of Canada and help to generate new and improved products and processes that will support the productivity and growth of Canadian firms*”.

CIC will operate with an initial budget of \$2.6 billion over four years, and investments are expected to range from roughly \$50K to \$5M per project. The CIC will also have the flexibility to support a select number of larger-scale R&D projects, up to a maximum of \$20M per project.³⁸ In comparison, AIF projects have typically ranged between \$100K to \$15M, with an average project amount of \$2.6M since its launch in 2001.

Alignment with Priorities

Relevance

The programs are generally aligned with Government of Canada priorities³⁶ related to economic development; however, opportunities exist for greater alignment and clearer direction related to inclusive growth.

COVID-19 Relief and Recovery



Between April 2020 and March 2022, BDP and ICF contributed to the recovery and growth of key sectors (e.g., \$34M in support of tourism and \$11M for the food sector) and supported investments in advanced manufacturing (\$6.4M). In addition to providing regular funding, the inherent flexibility of the programs also made them effective instruments through which to rapidly deliver targeted pandemic relief and recovering funding (e.g., CCRF).

Clean Growth

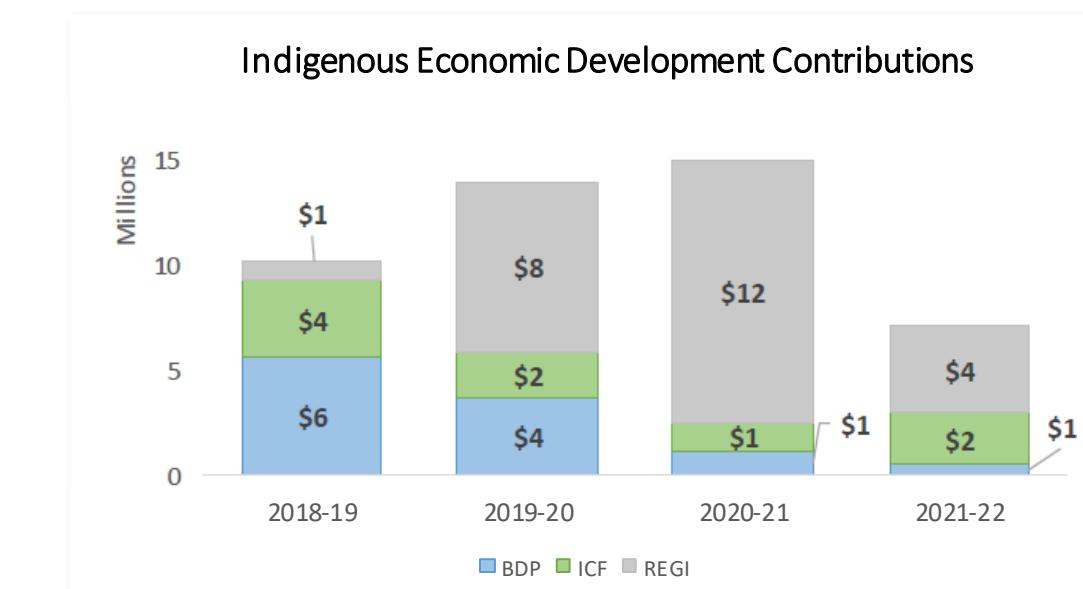
In support of the federal government's commitment to "reduce emissions, create clean jobs and address the climate-related challenges communities are already facing"³⁹, the programs collectively contributed **\$23M** to projects in support of clean growth over the period of the evaluation.

Oceans

Oceans have long been a strategic sector for ACOA and is currently one of the Agency's key priority files. Over the period of the evaluation, a combined **\$13M** was invested through AIF, BDP and ICF in projects that support the ocean economy and contribute to the Government of Canada's [Ocean Supercluster](#) and [Blue Economy Strategy](#).

Indigenous Economic Development

Overall support for Indigenous Economic Development remained **relatively stable** over the period, however much of the funding shifted to REGI. The proportion of funds allocated to projects with a key focus on Indigenous Economic Development increased **from 2% to 6%** of overall Agency funding. This is proportional to the percentage of Indigenous people living in Atlantic Canada, which accounts for 5.7% of overall population according to the 2021 census.⁴⁰



Alignment with Priorities

Relevance

The programs are generally aligned with Government of Canada priorities³⁶ related to economic development; however, opportunities exist for greater alignment and clearer direction related to inclusive growth.

Inclusive Growth

Inclusion remains a top priority for ACOA, and the Agency continues to take positive steps towards integrating Inclusive Growth into its programs and practices. Opportunities remain, however, to create a more comprehensive and proactive strategy, and to better define, track and report on outcomes related to under-represented groups. With the exception of Indigenous Economic Development which has been identified as a key priority file, the Agency currently collects limited data on its contributions in support of diverse groups.

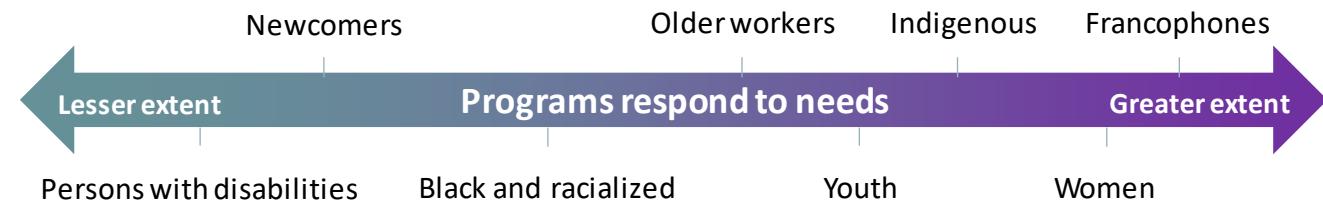


Clients report minimal representation of diverse groups

Fewer than 10% of ACOA clients indicated that their company or organization was either led by or employed members of under-represented groups (i.e., Francophones, Indigenous, persons with disabilities, newcomers, black, 2SLGBTQI+). Clients reported that women, older workers and youth were only slightly more likely to be leading or employed by their companies or organizations.

ACOA program officer perspectives:

When asked about the extent to which the programs respond to the diverse needs of under-represented groups, ACOA program officers indicated that the needs of **Francophone communities and women** are being met to a greater extent compared with other groups. Furthermore, nearly a third (32%) indicated that they don't have the information and resources they need to effectively support these diverse groups.



Complementarity

Relevance

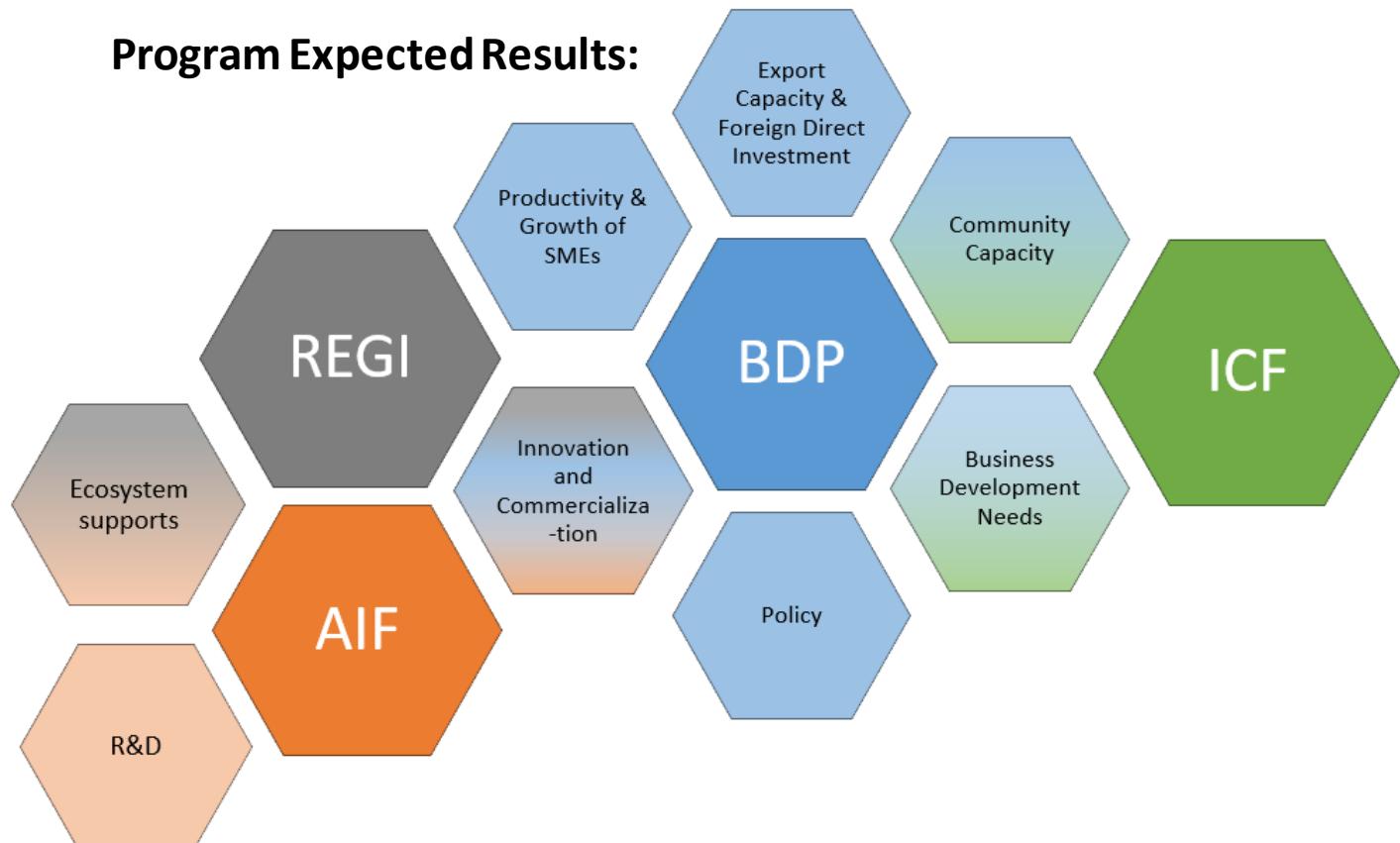
The programs generally complement other available economic development supports in Atlantic Canada. A strong regional presence, flexible funding mechanisms and non-financial supports continue to set the programming apart. Strong collaboration with ecosystem stakeholders helps to mitigate any areas of overlap or duplication. Internally, some overlap exists with REGI.

Internally, the large majority of ACOA program officers (86%; n=36) agree that overlap exists between the programs, and based on a review of program expected results⁵, there appears to be overlap between BDP, AIF and REGI in terms of capacity for **innovation and commercialization** and between REGI and AIF in terms of support for the **innovation ecosystem**. Areas of overlap also exist between BDP and ICF in supporting **communities' capacity** to identify and respond to economic opportunities and challenges, and availability of **capital, business information and counselling**.

Externally, BDP and ICF are set apart from other available federal economic development programs* in the region through:

- ✓ a **focus on Atlantic Canada** including rural and community projects led by not-for-profit organizations, post-secondary educational institutions as well as governmental entities
- ✓ **interest-free, non-dilutive** funding with both repayable and non-repayable options
- ✓ **non-financial** supports such as strategic advice, pathfinding and convening delivered by program delivery staff located in the communities they serve

Program Expected Results:



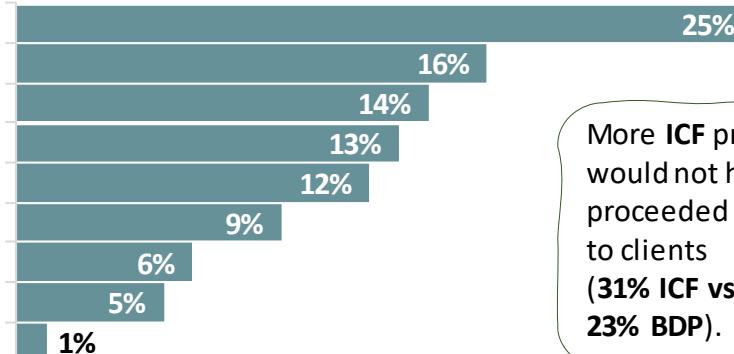
Absence of Programs

Relevance

There would be major negative impacts on the economic growth of communities in the absence of ICF. The relevance of BDP is less clear in the context of REGI, however its flexibility is considered a key strength.

According to BDP and ICF clients (n=435), if ACOA funding had not been available, their projects: *

- would not have proceeded
- would have proceeded with smaller scope
- would have been delayed
- would have assumed a higher level of risk
- would have assumed more debt
- would have lost other funding
- would have looked for private capital/investment
- would have lost partners
- would have proceeded as planned



More ICF projects would not have proceeded according to clients (31% ICF vs. 23% BDP).

Given the distinctive, targeted supports offered through ICF that aim to address the specific circumstances of rural, Indigenous⁴¹ and Official Language Minority Communities, these communities would be further disadvantaged in its absence.



ACOA program officers agree: According to a large majority of BDP (83%) and ICF (90%) program officers it is unlikely that community outcomes would have been achieved without ACOA support.

According to clients, beyond ACOA's support, other factors that contributed to the success of projects funded under the ICF and BDP programs included financial and non-financial support from other partners as well as experience and qualifications of project leaders, staff and volunteers.



Although opinions are split on what impact the absence of BDP would have on achievement of Agency outcomes, internal key informants highlighted the program's flexibility as being necessary in supporting projects that would otherwise not be possible under other programs.



Summary of Findings

Effectiveness

Effectiveness questions are designed to assess the extent to which the programs are contributing to the achievement of expected results.

BDP contributes to the achievement of the Agency's broad economic development outcomes and is an effective mechanism for providing regionally relevant programming that is responsive to the evolving needs and barriers that exist in the region.

ICF continues to contribute to the long-term sustainability and communities through dedicated programming primarily focused on infrastructure.



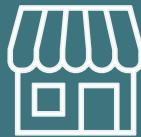
Non-financial supports provided by ACOA program officers are key to the success of SMEs and communities, and assist with leveraging additional funds.

Opportunities exist to improve documentation and data:

The following factors limit our ability to determine the extent to which the programs are achieving outcomes:

- Outdated definitions of expected results in program governance documentation (i.e., terms and conditions)
- Lack of reliable data on the nature of projects funded and results achieved





Business Development Program

Effectiveness

BDP contributes to the achievement of the Agency's broad economic development outcomes and is an effective mechanism for providing regionally relevant programming that is responsive to the evolving needs and barriers that exist in the region. There is, however, an opportunity to clarify expected results and the availability of data related to outcomes of funded projects.

Project Outcomes:

BDP clients (n=418) reported that their projects contributed most often to:

- ✓ Recruiting or retaining employees
- ✓ Growth or scale-up
- ✓ Strengthened innovation or commercialization capacity
- ✓ Increased sales or revenue



By the end of the evaluation period, however, only six commercial projects totaling \$9.4M were funded under BDP, (and one of the six was for \$8M). This, along with outdated program governance documentation and a lack of reliable data on project outcomes limits our ability to fully assess the effectiveness of the program.

Community Outcomes:

When asked about how their projects impacted broader **community outcomes**, BDP clients (n=418) pointed most often to:

- ✓ Increased business revenue or activity
- ✓ Improvements to infrastructure
- ✓ Economic sustainability of rural communities
- ✓ Attraction or retention of employees

As previously noted, economic needs and barriers are evolving rapidly, and becoming increasingly inter-connected. Internal key informants highlighted BDP's flexibilities as being a key strength in allowing the Agency to effectively respond to the region's unique economic challenges. The inherent flexibilities afforded by the program allows a focus on regional priorities and supports a place-based approach to economic development.

BDP also proved to be an effective vehicle for rapidly delivering regional response and recovery funds (e.g., COVID-19 and more recently Hurricane Fiona).

BDP Contributions





Innovative Communities Fund

Effectiveness

ICF continues to contribute to the long-term sustainability of communities through dedicated programming primarily focused on infrastructure. There is an opportunity to ensure that investments are aligned with activities that drive growth at the local level.

Project Outcomes:

ICF clients (n=194) reported that their projects, which were all non-commercial in nature, contributed most often to outcomes related to:

- ✓ Growth or scale-up
- ✓ Marketing activities
- ✓ Recruiting or retaining employees
- ✓ Growth strategies or plans

Community Outcomes:

When asked specifically how their projects impacted broader **community outcomes**, ICF clients pointed to:

- ✓ Increased tourism
- ✓ Infrastructure
- ✓ Long-term sustainability of rural communities
- ✓ Capacity to identify and address challenges and opportunities

Top 3 tourism outcomes:

1. Increased satisfaction of visitors
2. New tourist attractions/offering
3. Increased visitation from new locations

Opportunity for increased focus on capacity-building

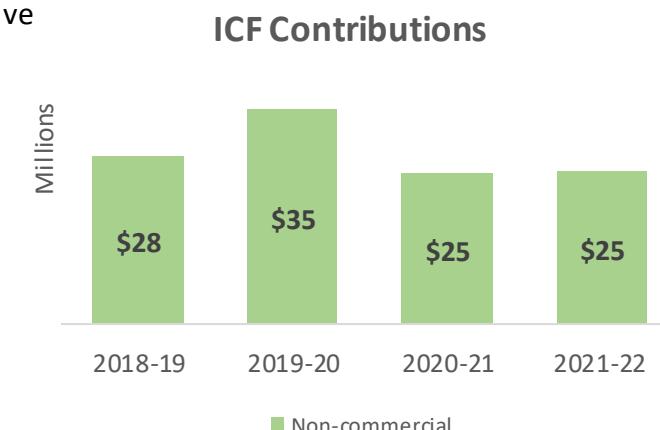
ICF contributions remained fairly stable over the period, and the majority of projects were related to tourism and regional priorities that support **place-based economic development** priorities. Investments supported infrastructure (75%) and community capacity building (25%). Use of ICF for community capacity-building is inconsistent across the four provinces however, with one region accounting for over half (52%) of all contributions.

Internal key informants reported that while the focus of ICF has traditionally been on infrastructure investments, community development needs are evolving towards a greater emphasis on capacity-building activities that will help drive population growth (e.g., immigration, settlement, planning, housing, industrial development).

There is an opportunity for further study of these drivers to ensure resources are aligned with activities that drive growth in communities.

ICF capacity-building projects focused primarily on:

- Strategic planning
- Skills development
- Events
- Marketing
- Operational support



Value of Non-financial Assistance

Effectiveness

Non-financial supports provided by ACOA program officers are important to the success of SMEs and communities, and assist with leveraging additional funds. Accurately accounting for these non-financial contributions remains a challenge, however.

ACOA officers spend half their time providing non-financial support

ACOA program officers (n=43) estimate that they spend, on average **50%** of their time providing advice and guidance, convening partners and pathfinding additional sources of funding. When asked how this has changed over the past five years, **44%** indicated they are spending **more or a lot more time** providing these types of supports, however there is currently no mechanism to accurately capture or measure these efforts.

While some program officers pointed out that this type of work can be time consuming and challenging, many indicated that these non-financial supports are a valuable and essential part of their role and help to **maximize benefits from national programs** by providing information and making connections. Key informants also pointed to the value of having local program officers who know the economic landscape and the **benefits of a ‘warm handoff’** for clients attempting to access other federal programs.

A recent study of rural communities in Atlantic Canada confirms that “communities need the support of local development officers who know local settings and small places and are linked into resources, industry opportunities, new initiatives and can coordinate.³⁷

“ The time is critical for maintaining supportive client relationship and in helping client efforts to align in a greater community context.

- ACOA program officer

Clients report high degree of satisfaction

A⁺

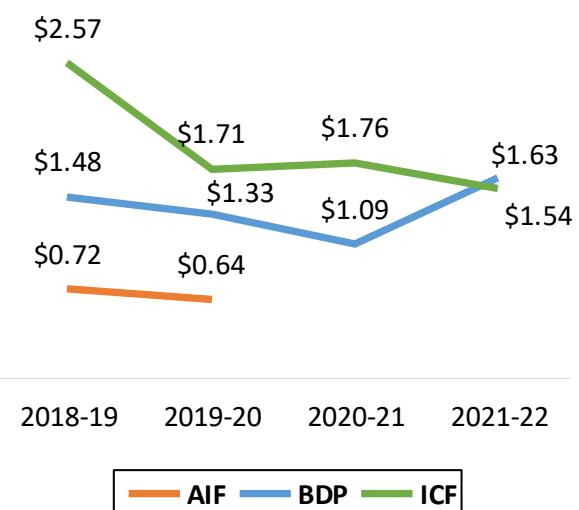
When asked about their degree of satisfaction with any non-financial supports they received, the overwhelming majority of ACOA clients (95%; n=415) indicated that they were satisfied with the **business knowledge, advice or other expertise**, and 93% indicated that they were satisfied with the **suggestions or referrals** for other sources of funding or services.

Leveraging has remained relatively stable

Over the period, each dollar invested across all three programs leveraged an additional **\$1.51** from other sources, on average.

Leveraging decreased considerably for ICF and remained relatively unchanged for BDP.

Amount leveraged per \$1 invested by ACOA





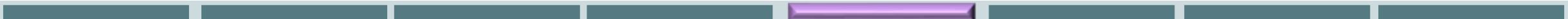
Summary of Findings

Efficiency

Efficiency questions are designed to assesses the extent to which programs are being delivered in an economical manner.

- Client satisfaction with service features remains high; however, complicated application and claims processes and long waits for approvals continue to negatively impact clients.

- The introduction of REGI and delivery of COVID-19 relief and recovery programs had an impact on the efficient delivery of pre-existing programs. Lack of clear guidance and direction has led to some confusion and inconsistent application across the Agency, especially with respect to tourism projects.



Client Satisfaction

Efficiency

Client satisfaction with ACOA's service features remains extremely high, however long delays for application approvals and complicated processes continue to negatively impact clients.

Clients remain extremely satisfied with personal service

A⁺

Consistent with previous evaluations, overall client satisfaction is once again highest (>95%) for services provided by ACOA's program staff, including their courteousness and professionalism, ongoing business relationship, availability, and sensitivity with regards to the needs of under-represented groups.

Approval times have improved somewhat

A

While clients once again expressed concerns with the time it takes for their projects to be **approved**, overall satisfaction is very high (91%), and has increased from 82% in 2020.⁴²

Opportunities remain to modernize processes

B

Client satisfaction with ease of **application process and paperwork** has also increased slightly from 83% in 2020⁴² to 86% in current evaluation.



Client perspectives

"ACOA personnel are ever so helpful. I have worked with three or four different people across the years. Their professionalism has been outstanding."

"The length of time it takes to get a project approved is problematic for small communities trying to secure other funding to do a major project. Amendments take just as long (4 months) and can impact timelines for completing work."

ACOA program officer perspectives

"Many of our processes for reporting are complicated and arduous for our clients. Our forms are not client centric, making them difficult for clients to understand."

"I could connect with more clients, more often, if I wasn't bogged down in our processes."

Some ACOA program officers mentioned that long delays for application approval is a barrier to efficient service delivery.

The introduction of REGI has had a major impact on BDP, with the majority of commercial funding transitioning to the new program. Tourism projects now account for a considerable proportion of BDP and ICF contributions, and there is an opportunity to further clarify direction on program selection, especially in terms of defining innovation.

Overall, 39% of ACOA program officers indicated that there is a lack of clear and consistent direction on which program should be used to fund which types of projects. The majority of whom were officers who had been in their current role for more than 10 years. The greatest area of uncertainty exists between BDP and REGI, and the large majority of ACOA program officers (82%) reported that REGI had little to no impact on their use of ICF.

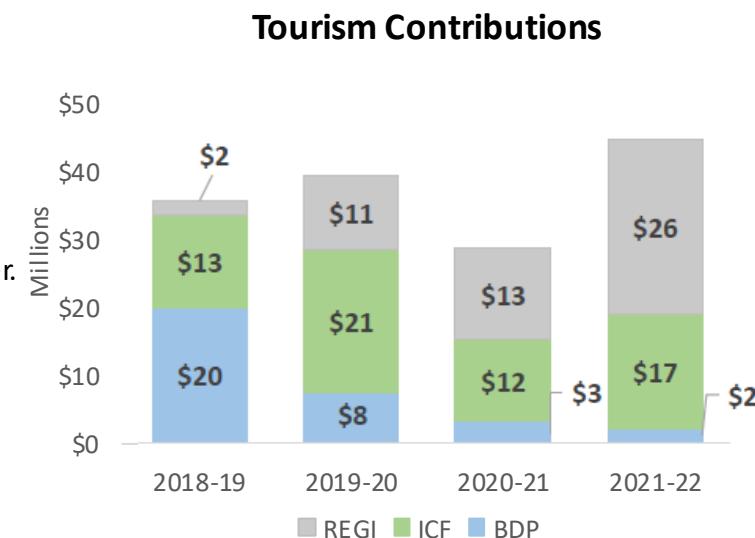


Wide variation exists among regions in use of programs for tourism-related projects

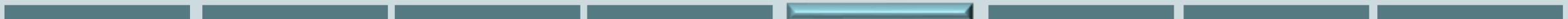
A review of project data reveals wide variations among the Agency's four regions in terms of which programs are used to fund tourism projects. The variations are even more pronounced for non-commercial tourism projects with some regions primarily using ICF, and others split more equally between BDP, ICF and REGI; still others use almost no REGI for non-commercial tourism projects. What is consistent across all regions, however, is a marked downward trend in the use of BDP for non-commercial tourism projects.

When asked which program they use most for tourism projects, nearly half of ACOA program officers reported using REGI (49%), 38% said ICF and only 14% reported using BDP. This varies greatly by region, however. The factors cited most often by program officers in making decisions about which program to use for tourism projects was whether the project was commercial or non-commercial, and level of innovation involved. Internal key informants' definition of what constitutes "innovation" varies greatly across regions, however.

Internal key informants also reiterated the beneficial nature of the flexibilities afforded by BDP and ICF, as they allow regions to take a place-based approach to tourism development. Furthermore, program flexibility and adaptability is a key component in the Agency's ability to address the evolving needs of clients.



Nearly **\$10M of COVID-19** tourism recovery support was delivered through BDP in 2021-22. The large majority of which (80%) supported commercial tourism projects.



Recommendations

1. Ensure the continued alignment of key Agency priorities and resources with current drivers of economic growth and the barriers that constrain it:

- Building upon work done pre-pandemic, clarify the Agency's path forward for addressing the skills and labour shortage
- Streamline the Agency's suite of programming and reduce redundancies by eliminating AIF
- Develop and implement a comprehensive, proactive path forward for the Agency's approach to inclusive growth
- Develop a coordinated approach to supporting SMEs address barriers related to supply chain disruptions

2. Implement an integrated change agenda that supports excellence in program delivery and accurate tracking and reporting of investments:

- Ensure availability of high-quality data related to the nature of projects and their impacts
- Ensure reliable data is available on the characteristics of the Agency's clients in terms of representation of diverse groups
- Remove barriers and streamline processes to help program delivery staff continue to provide excellent service to clients and do their jobs more efficiently
- Increase support for crucial role staff play in convening, pathfinding and coordinating ecosystem partners and advocating for needs of businesses and communities
- Update internal program governance documentation and clarify expected results and eligible activities of each program

MANAGEMENT ACTION PLAN

RECOMMENDATION	RESPONSIBILITY	Management Response and Planned Actions	DUE DATE
1. Ensure the continued alignment of key Agency priorities and resources with current drivers of economic growth and the barriers that constrain it:			
a) Building upon work done pre-pandemic, clarify the Agency's path forward for addressing the skills and labour shortage	DG of Programs, Head Office	Launch an internal workforce of the future Community of Practice to identify and develop strategic opportunities to build, attract and retain a skilled, diversified, and inclusive workforce that meets current and future local labour market needs.	2024/03/31
		Develop focused programming (such as Strategic Growth Initiative (SGI)) to better support businesses in skills and labour shortage.	2024/03/31
		Deliver the Digital Acceleration Pilot (DAP) to help SMEs digitize and automate, therefore help addressing the labor shortage for companies.	2023/12/31
b) Streamline the Agency's suite of programming and reduce redundancies by eliminating AIF	DG of Programs, Head Office	Streamline programming with REGI as the main tool to support AIF-like projects by: <ul style="list-style-type: none"> - Performing a comparison of similar projects in REGI - Exploring options to eliminate AIF 	2025/03/31
c) Develop and implement a comprehensive, proactive path forward for the Agency's approach to inclusive growth	DG of Programs, Head Office	Work with non-commercial clients and partners to increase access to and improve services for underrepresented groups.	2024/12/31
		Establish a collaborative approach to develop strategies and activities targeted at underrepresented groups. That would include engaging key stakeholders to understand the current landscape and to identify gaps in the ecosystem (i.e., Skilled Workforce and Immigration approach, the Indigenous Economic Development, and Indigenous guidelines).	2024/03/31
d) Develop an approach to addressing supply chain disruptions	DG of Programs, Head Office	Work with sector associations (e.g., regional bio alliances, fish farmers associations, ocean technology industry associations) to build awareness and knowledge about changes and requirements in global markets linked to decarbonization and green trade to support increased exports for Atlantic SMEs and how to prepare and adapt in the supply chain and remain competitive. Some examples are: targeted missions in renewable energy such as International Partnering Forum for offshore wind (March 2023, Baltimore, MD USA), special workshops and sessions on Green Standards in trade and investment such as ESG (May 2023), establishing and inventory of clean tech companies in Atlantic Canada (September 2023), working with ATIGS partners on developing a clean technology cohort of Atlantic Canadian companies to leverage the Canadian Technology Accelerator (CTA, Global Affairs) (March 2024).	2024/09/30
		Include international supply chain optimization for Atlantic Canadian companies as an objective in Programs planning.	2024/03/31

MANAGEMENT ACTION PLAN

RECOMMENDATION	RESPONSIBILITY	Management Response and Planned Actions	DUE DATE
2. Implement an integrated change agenda that supports excellence in program delivery and accurate tracking and reporting of investments:			
a) Ensure availability of high-quality data related to the nature of projects and their impacts on the Atlantic Canadian economy	DG of Programs, Head Office	Adapt information and data systems to better capture nature of projects and how we deliver on priorities.	2025/03/31
		Improve identification of expected outcomes and documentation of actual results for projects .in CAPRI to better reflect the real impacts on the Atlantic Canadian economy.	2024/03/31
b) Ensure reliable data is available on the profile of the Agency's client base in terms of representation of diverse groups	DG of Programs, Head Office	Undertake specific actions to improve the quality and reliability of the data collected:	
		- Update program guidance in the Programs Policies and Guidelines Manual to provide clear instruction.	2024/03/31
		- Organize information sessions/training to staff responsible for data entry to improve input accuracy.	2025/03/31
		- Leverage future technology advancements to better capture data related to underrepresented groups and projects.	2025/03/31
c) Remove barriers and streamline processes to help program delivery staff continue to provide excellent service to clients and do their jobs more efficiently	DG of Programs, Head Office	Implement an integrated program delivery change and modernization approach that will improve client service while increasing flexibility and efficiency (e.g., DESC, CERT, CAPRI).	2024/03/31
d) Increase support for crucial role program delivery staff play in convening, pathfinding and coordinating ecosystem partners and advocating for needs of businesses and communities	DG of Programs, Head Office	Build internal capacity, knowledge and tools on priorities.	2024/03/31
		Improve support and increase collaboration with front line staff such as Business Information Services (BIS) as they are renewing their mandate.	2024/12/31
		Provide support and training to enhance digital literacy to staff to better serve communities and businesses.	2024/12/31

MANAGEMENT ACTION PLAN

RECOMMENDATION	RESPONSIBILITY	Management Response and Planned Actions	DUE DATE
e) Update internal program governance documentation to clarify expected results and eligible activities of each program	DG of Programs, Head Office	Improve clarity in the Programs Policies and Guidelines Manual on expected results	2024/03/31
		Align eligible activities in the Programs Policies and Guidelines Manual for each program in accordance with the terms and conditions.	2024/03/31

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Document and Literature Review

Validate economic development needs, alignment with government priorities and broad outcomes.

- 20+ internal documents, including program Terms and Conditions, policy reports and performance measurement information
- 70+ external documents, including academic literature and Statistics Canada reports
- Speeches from the Throne, federal budgets, mandate letters

Internal Administrative Data Review

Document program design, implementation, nature of projects, client types and performance.

- ACOA project performance data (QAccess)
- ACOA financial expenditure data (GX)

Client and Staff Surveys

Assess relevance and performance from the perspective of ACOA clients and staff.

- Clients: Online delivery with a response rate of 58% (n= 418 BDP; 194 ICF)
- Administered to all clients who received funding from BDP and ICF programs.
- ACOA Program Officers: Online delivery with a response rate of 55% (n=63/114).

Key Informant Interviews

Assess relevance and performance from the perspective of various stakeholders.

- 37 internal key informants as well as external stakeholders from other government departments and not-for-profit organizations

Evaluation strengths and limitations:

This evaluation offers several strengths that helped mitigate common limitations. It was designed and implemented by an experienced evaluation team that focused efforts on questions of most importance to senior management. The study used a mixed-methods approach to identify useful findings and recommendations while meeting Treasury Board Secretariat timelines and requirements. There was high stakeholder engagement throughout the project. The online surveys had high response rates of above 50%.

The evaluation considered Gender-based analysis Plus⁴³ in its design and implementation of data collection methods and synthesis of findings.



Environmental Scan

Appendix B

Organization	Program	Funding			Client Type				Focus Area
		 Non-repayable	 Repayable	\$*	 SMEs	 NFPs	 Education	 Government	
ACOA	AIF	•	•		•	•	•		Innovation, R&D
	BDP	•	•		•	•	•	•	Launch/Modernize/Grow Business
	ICF	•				•	•	•	Community development
	REGI	•	•		•	•	•	•	Business Scale-up, Innovation
ISED	Sustainable Development Technology Fund	•			•				Green Tech
	Strategic Innovation Fund	•	•		•	•			R&D Ecosystem
	Boost your Business Technology (Canada Digital Adoption Program)	•			•				Digital Tech
	Challenge Stream (Innovative Solutions Canada)	•			•				R&D, Prototype
NRC	Industrial Research Assistance Program	•			•	•	•		R&D, Tech Adoption/Adaptation
BDC	Small Business Loan		•		•				Retail, Real Estate
EDC	Investment Matching Program		•		•				Trade
DFO	Atlantic Fisheries Fund	•			•	•	•	•	Fish and Seafood
GAC	CanExport	•			•	•			Trade
INFC	Green and Inclusive Community Buildings	•				•		•	Infrastructure
AAFC	Agri-Marketing Program	•				•			Trade

* Amounts converted to ranges for display purposes. Variations may not be completely reflected.  = ≤5M  = ≤10M  = ≤20M  = ≥10M

In 2018, the national Regional Growth through Innovation program was created following the Government of Canada's [Horizontal Business Innovation and Clean Technology Review](#) and four national innovation platforms were identified:

1. The **Regional Development Agencies (RDAs)**, using a new horizontal innovation program, REGI, would support firms in their efforts to scale-up and grow their businesses in all markets
2. The **National Research Council-Industrial Research Assistance Program (NRC-IRAP)** would provide technical and scientific support during the early R&D phases and will broaden its support for R&D to higher value projects with funding of up to \$10M, including the ability to support commercialization elements of large R&D projects
3. **Trade Commissioner Service** would provide firms with advice, connections, and funding to take advantage of new export/market development opportunities
4. **Innovation, Science and Economic Development's (ISED) Strategic Innovation Fund** would maintain its broad eligibility and will focus on larger-scale projects needing support in excess of \$10M

2SLGBTQI+ – 2-spirit, lesbian, gay, bisexual, transgender, queer, intersex, and additional people who identify as part of sexual and gender diverse communities

AAFC – Agriculture and Agri-Food Canada

ACOA – Atlantic Canada Opportunities Agency

AIF – Atlantic Innovation Fund

BDC – Business Development Bank of Canada

BDP – Business Development Program

COVID-19 - Coronavirus Disease of 2019

DFO – Fisheries and Oceans Canada

EDC – Export Development Canada

GAC – Global Affairs Canada

ICF – Innovative Communities Fund

ISED – Innovation, Science and Economic Development

INFC – Infrastructure Canada

NRC – National Research Council

NRC-IRAP - National Research Council-Industrial Research Assistance Program

R&D – Research and Development

RDA – Regional Development Agency

REGI – Regional Growth through Innovation

SME – Small and Medium-Sized Enterprise



Methodology: Relevance

Appendix E

Relevance questions are designed to assess the extent to which the programs are aligned with current needs and priorities, as well as their relative value compared with other available programs.

Questions	Methods				
	Documents & Literature	Client Survey	Staff Survey	Interviews	Internal data
a) To what extent do ICF and BDP address current and emerging needs of Atlantic Canadian SMEs and communities?	✓	✓	✓	✓	✓
b) To what extent does AIF address a demonstrable need ?	✓	✓	✓	✓	✓
c) To what extent are programs aligned with current Government of Canada and ACOA priorities ?	✓	✓	✓	✓	✓
d) To what extent are the programs unique or complementary to other program offerings internally and externally? Do any areas of overlap or duplication exist?	✓		✓	✓	✓
e) What would be the impact of the absence of the programs?	✓	✓	✓		✓

? Methodology: Effectiveness

Appendix E

Effectiveness questions are designed to assesses the extent to which programs are performing as intended and achieving expected outcomes.

Questions	Methods
a) To what extent do BDP, AIF and ICF contribute to achievement of expected outcomes?	 Documents & Literature  Client Survey  Staff Survey  Interviews  Internal data
b) To what extent did the introduction of new programs (i.e., REGI, COVID-19 relief) impact on the achievement of program outcomes?	   
c) To what extent do ACOA's non-financial supports contribute to the achievement of outcomes?	  



Methodology: Efficiency

Appendix E

Efficiency questions are designed to assesses the extent to which programs are being delivered in a cost-effective manner.

Questions	Methods
a) What factors facilitate or impede efficient program delivery?	 Documents & Literature  Client Survey  Staff Survey  Interviews  Internal data
b) How has the introduction of REGI impacted on the efficiency and effectiveness of program delivery?	   
	 