

# Atlantic Canada Opportunities Agency

2019-20

## **Departmental Results Report**

The Honourable Mélanie Joly  
Minister of Economic Development and  
Official Languages



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## Minister's message

It is my pleasure to present the 2019-20 Departmental Results Report for the Atlantic Canada Opportunities Agency. As Innovation, Science and Economic Development Canada (ISED) continues to mobilize industry and the research community to confront the COVID-19 pandemic, the various organizations in the ISED portfolio have coordinated their efforts to position Canada as a global innovation leader and shape an inclusive economy for all Canadians.

In Atlantic Canada, ACOA played a crucial role in our government's response to the economic impacts of COVID-19. The Agency implemented the \$110 million Regional Relief and Recovery Fund and the \$38.1 million Canadian Seafood Stabilization Fund to support vulnerable sectors of the economy during this uncertain time. The Agency deferred payments for a period of six months, which allowed businesses to put those funds toward support for their employees and the local economy. Moreover, ACOA is working with communities across the region to help them navigate the pandemic so they can position themselves to emerge successfully from this historic challenge.



The timely measures in these unprecedented times have built on activities from the previous year, when ACOA continued to help small and medium-sized enterprises (SMEs) innovate, scale-up, attract and retain talent and bring their products and services to market.

For example, through the:

- Women Entrepreneurship Strategy – ACOA approved nearly \$1 million to help women-owned businesses grow and export. This investment also helped non-profit, third-party organizations support the growth of women-led SMEs.
- Accelerated Growth Service – ACOA provided \$8.3 million toward 42 projects from client participants to help them grow, upgrade their technology or expand trade.
- Atlantic Trade and Investment Growth Strategy – ACOA and the four Atlantic provincial governments approved more than \$7 million for 24 projects to support export growth in 10 strategic sectors. This helped increase the value of Atlantic Canada's export goods to a high of \$28.7 billion.
- Atlantic Canada Agreement on Tourism – ACOA worked with Destination Canada and the four Atlantic provincial governments to strengthen the region's tourism sector and position this key industry for continued growth.

ACOA aimed to deepen the well of labour and skills available in the region. The Agency promoted the inclusion of women, newcomers, Indigenous peoples, younger and older workers, and persons with disabilities in the Atlantic job market. This helped bridge the labour and skills divide while ensuring that the labour force better reflected these underrepresented groups.

ACOA engaged and involved governments, businesses and community stakeholders to help communities expand and diversify their economies including in official language minority communities. The Agency approved more than \$88.6 million for 476 projects designed to help communities grow and become more economically diverse.

Supporting economic growth in Indigenous communities ensures a continued emphasis on reconciliation. As such, ACOA approved \$14.6 million for 62 projects that aligned with Indigenous economic priorities, including Aboriginal economic development, research and business skills development.

These are just a few examples of Atlantic Canada Opportunities Agency's work on behalf of Canadians regardless of their background, region or generation. I invite you to read this report to learn more about how ACOA is helping to build an inclusive and innovative economy that offers all Atlantic Canadians an opportunity to thrive.

## Results at a glance and operating context

Total actual spending for 2019-20	Total actual full time equivalents for 2019-20
\$351,659,641	575

In 2019-20, the Atlantic Canada Opportunities Agency (ACOA) invested in strategic projects across Atlantic Canada to grow a strong, diversified, sustainable and inclusive regional economy. Using its traditional place-based approach<sup>1</sup> helped the Agency continue to be responsive to local and rural realities and position the region's small and medium-sized enterprises (SMEs) and communities for growth. This approach also allowed the Agency to react quickly to the needs of SMEs and communities in response to the COVID-19 pandemic and its impacts in early 2020.

ACOA's results continue to be influenced by Atlantic Canada's economic context (e.g., trade uncertainty) and the capacity of partners, communities and clients. The Atlantic Canadian economy outpaced the national economic growth trend in 2019, growing by 2.5% in 2019 compared to 1.7% nationally.<sup>2</sup> However, COVID-19 had significant impacts on growth in the first quarter of 2020 that continue to be felt. Because of the region's small, open economy, international competition from low-cost producers remains a challenge for Atlantic Canada's manufacturing base and resource industries. Ongoing demographic pressures and lagging capital investments will continue to influence future growth prospects in the region.

The Agency continued to support the Government of Canada's economic priorities through its delivery of the Regional Economic Growth through Innovation program, a program designed to foster an entrepreneurial environment conducive to innovation, growth and competitiveness. This program was delivered diligently along with its several initiatives, including the Women Entrepreneurship Strategy (WES) and its two components – the WES Ecosystem Fund and the Women Entrepreneurship Fund (WEF) to help women grow their businesses through access to financing, talent, networks and expertise – in addition to the Steel and Aluminium Initiative and the Canada Coal Transition Initiative.

Through ACOA's client-centric approach, the Agency helped businesses and organizations connect with other federal programs and services relevant to their needs. A recent evaluation of Innovation programming found that "ACOA's funding and other supports contribute to a strengthened innovation ecosystem, the commercialization of new or improved technologies, products, processes or services, and productivity improvements... [and the] Agency's expanded and more deliberate role in convening and pathfinding has developed new partnerships to address changing priorities."<sup>3</sup>

In 2019-20, the Agency remained focused on key priorities that offer Atlantic Canada key opportunities for growth such as advanced manufacturing, clean growth, food, tourism, skills,

<sup>1</sup> Place-based economic approaches are based on regional specific assets, are complementary among sector policies at the regional or local level, and are multi-level governance mechanisms to align objectives and implementation

<sup>2</sup> Statistics Canada

<sup>3</sup> ACOA Innovation Programming Evaluation Report, <https://www.canada.ca/en/atlas-acoa-opportunities/corporate/transparency/acoa-innovation-eval-2020.html>

Indigenous economic development, ocean, innovation ecosystems and immigration. All ACOA programs were delivered with an inclusive lens to ensure underrepresented groups were supported including official language minority communities. Activities included the following:

**Technologies** – ACOA approved more than \$87.6 million for 179 projects to support the development, commercialization and adoption of innovative technologies. The Agency fostered partnerships and collaborations between the private sector, and research and business support organizations. It also supported business accelerators and incubators in the region to address gaps in support of start-ups. As a result of ACOA’s support for technology:

- In Newfoundland and Labrador, Breathesuite commercialized a new medical device and inhaler to enhance the lives of respiratory patients.
- Nova Scotia’s Global Spatial Technology Solutions, an artificial intelligence company, developed advanced vessel management tools using automatic identification systems data from ships. These systems provide decision-making intelligence through big data.

**Businesses** – ACOA helped grow globally competitive businesses by approving nearly \$104 million for 612 projects that support the development of products and services, the adoption and adaptation of advanced technology, and the acquisition of skills and market knowledge. It supported company-oriented growth plans under the Accelerated Growth Service, worked with federal and provincial partners to deliver on the multi-year Atlantic Trade and Investment Growth Strategy, and helped businesses and tourism operators expand through the Atlantic Canada Tourism Agreement. With ACOA’s support:

- New Brunswick’s Verger Belliveau Orchards adopted high-speed bagging and packing lines that enhanced its ability to process top quality products at a competitive cost to keep growing its domestic and export sales.
- Prince Edward Island’s Royal Star Foods expanded its facilities to improve the quality and safety of its loading practices for global customers. The expansion is reducing costs and the company’s carbon footprint by requiring fewer shipments to other cold storage locations and increasing work for local employees.

**Communities** – ACOA fostered inclusive growth by approving over \$88.6 million for 476 projects to develop and diversify communities. The Agency helped attract and retain global talent, supported strategic investment to help communities adapt to changing economic circumstances, and engaged with governments, businesses and community stakeholders to foster economic growth in Indigenous communities. It also approved nearly \$1 million to help women entrepreneurs grow their businesses and help non-profit, third-party organizations deliver support through the WES. With ACOA’s support:

- Nova Scotia start-up and WEF recipient Peer Ledger grew its capacity to explore and develop new markets, diversify its customer base and increase sales of its block-chain technology that help companies reduce counterfeiting and safety risks in their supply chains.
- The Mi’kmaq Confederacy of Prince Edward Island supported initiatives to grow and establish social enterprises, provide entrepreneurial support, and increase product offerings and entrepreneurship skills of Indigenous tourism operators and vendors.

For more information on ACOA’s plans, priorities and results achieved, see the “[Results: what we achieved](#)” section of this report.



## **Results: what we achieved**

### **Core responsibility: economic development in Atlantic Canada**

#### **Description:**

Support Atlantic Canada's economic growth, wealth creation and economic prosperity through inclusive clean growth and by building on competitive regional strengths. Help SME growth through direct financial assistance and indirectly through business support organizations. SMEs become more innovative by adopting new technologies and processes and pursuing new avenues for expansion and market diversification in order to compete and succeed in a global market.

#### **Results:**

In 2019-20, ACOA supported the Government of Canada's priorities by responding to Atlantic Canadian businesses' challenges and opportunities, strengthening the region's competitiveness on the global stage, and building on its culture of innovation. The Agency helped firms to scale up, develop new markets, and adopt new technologies and processes in key sectors such as ocean, food, clean technology and tourism. It did so by supporting advanced manufacturing, the start-up ecosystem and exports as drivers of competitiveness. It focused on Indigenous economic development and supported a skilled workforce through immigration. ACOA acted as a catalyst for economic development and a convener of partners to take joint actions. It also played a pathfinding role to improve Atlantic businesses' and communities' access to federal investments. The Agency played an essential coordination and transition role with federal partners to support the Atlantic Growth Strategy.

The region's firms received support to adopt clean technologies that reduced their environmental footprints, enhanced their productivity and increased their competitiveness. Developing new clean technologies supported clean electricity supplies, such as smart grids and energy storage technologies, as well as the Clean Power Roadmap for Atlantic Canada, a partnership of Atlantic provincial governments and federal departments to outline a vision for jurisdictions' collaboration over the coming decades. ACOA invested \$40.5 million in 192 projects to accelerate the adoption of clean technologies.

In early 2020, the Agency pivoted quickly to address the economic impacts of COVID-19 on Atlantic Canadian businesses and communities. ACOA provided key analysis on anticipated economic impacts and supported the design of strategic mitigation measures in response.

The Agency's work was in line with the Minister's mandate letter to deliver regional economic programming that is responsive to the unique opportunities and challenges in Atlantic Canada, including acting as a trusted resource for businesses and communities. This contributed to the Government of Canada's overall goal of advancing growth and innovation, and of diversifying economies to build stronger and more innovative communities across Canada.

***Businesses invest in the development and commercialization of innovative technologies in Atlantic Canada***

ACOA supported firms at all levels, from start-ups to established firms, to accelerate their growth and scale up, and to enhance their productivity and competitiveness in both domestic and global markets. The Agency created, grew and nurtured inclusive regional ecosystems that support business needs and foster an entrepreneurial environment, particularly in key sectors such as food and ocean. SMEs in the steel and aluminum industry also received support to enhance their capability. Efforts from the Agency contributed to private-sector investment in research and technologies in the region, and the value of business expenditures in research and development (R&D) by firms receiving ACOA funding reached an average of \$86.7 million, surpassing the Agency's target of \$66 million.

The Agency built linkages with innovation ecosystems by working with other public, private and institutional partners and by supporting start-ups. It addressed gaps in support of start-ups by approving nearly \$14 million for 31 projects with Atlantic Canada's business accelerators and incubators, providing targeted support to foster an entrepreneurial culture, developing a robust financing chain, and ensuring the early-stage companies' pathways to globalization. It engaged with clients, other federal departments and agencies, organizations, academia, and associations outside the Government of Canada to improve awareness of national funding sources and enhance industrial sector growth and innovation through R&D activities. For example, ACOA and the National Research Council partnered to increase Atlantic Canadian SMEs' understanding of the value of innovative technology to improve manufacturing products and processes, and help them succeed in a competitive world. This work furthered Atlantic Canada's reputation as a thriving start-up ecosystem and one of North America's best values for entrepreneurs in terms of business costs, including access to talent.<sup>4</sup>

With these activities, ACOA supported the development of new technologies and a strong innovation ecosystem:

- Tronos Maintenance, based in Prince Edward Island, invested in state-of-the-art equipment to undertake its highly innovative, advanced manufacturing adaptation R&D project that will leverage and build upon its capabilities in aerospace while creating new capabilities in manufacturing through local, domestic and international collaborations.
- Newfoundland and Labrador's MYSA Empowered Homes built on its smart thermostats for electric baseboard heating systems to develop and commercialize new product lines to grow and diversify revenues, and continue offering tools for more energy efficient homes.
- NB Power and the Université de Moncton partnered to create the NB Power Artificial Intelligence Center to bring together industry professionals, university researchers, graduate students and trainees with state-of-the-art computing equipment to focus on industrial research in the area of artificial intelligence as it carries immense potential to transform the energy and utilities sector.

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<sup>4</sup> Startup Genome, Global Startup Ecosystem Report 2020, <https://startupgenome.com/reports/gser2020>

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***Businesses are innovative and growing in Atlantic Canada***

In 2019-20, ACOA supported businesses at various development stages to accelerate their growth, assist them in scaling up, and enhance their productivity and competitiveness in both domestic and global markets. Firms supported by ACOA programs reported strong revenue growth rates, higher than the set target of 8%, at an average rate of 9% in 2018-19.<sup>5</sup> The Agency, in collaboration with federal and provincial partners, targeted strategic support for 12 high-potential firms under the Accelerated Growth Service (AGS) during the year, for a total of 95 Atlantic Canadian firms enrolled so far. During the fiscal year, ACOA provided \$8.3 million in funding toward 42 distinct projects from AGS clients to help them grow, for a total of \$70.4 million in funding toward 187 distinct projects since 2017.

Positioning companies to leverage opportunities in the global ocean sector was key, and ACOA worked with partners to maximize the economic benefit of the blue economy while ensuring long-term sustainability. ACOA's support for a digital ocean asset map and database, developed in collaboration with the Ocean Supercluster (OSC), will draw a comprehensive and inclusive picture of the private enterprise, research and educational institutions, and innovation ecosystem stakeholders in Canada's ocean economy. ACOA also leveraged the OSC to grow the region's SMEs by supporting its Ocean Startup initiative to grow the pipeline of ocean enterprises.

ACOA approved \$11.3 million in trade and investment initiatives to help businesses grow through new and existing markets, including supporting tools for export readiness, adapting to virtual trade shows to foster trade relationships, and attracting foreign direct investment to high quality development sites across the region. Some of these initiatives were supported through the Atlantic Trade and Investment and Growth Agreement, under which the Agency and the four Atlantic Provinces approved more than \$7 million for 24 projects to support export growth in 10 strategic sectors. For example, the agreement supported Grow Export 2020, which identified several Atlantic Canadian companies new to exporting, or that were interested in doing so, providing the necessary training and coaching to enter the competitive export market. Efforts such as these proved beneficial, with the value of export of goods from Atlantic Canada reaching a high of \$28.7 billion in 2019-20, surpassing the Agency's target of \$22 billion.

As part of a pan-Atlantic tourism approach, ACOA, Destination Canada and the four provincial governments worked together to strengthen the tourism sector in the region, and extended the Atlantic Canada Agreement on Tourism (four Atlantic Provinces and tourism industry associations). The Agency, with other regional development agencies (RDAs) and Innovation, Science and Economic Development Canada, implemented the Canadian Experiences Fund to address the needs of the tourism sector in Atlantic Canada.

The Agency ensured that Atlantic Canada's interests were considered in federal policies, programs and regulations through advocacy efforts in priority areas such as defence procurement, tourism and clean growth. The Agency's engagement of stakeholders, including SMEs and leading global aerospace and defence contractors, leveraged nearly \$137 million in investments through the application of Canada's industrial technological benefits policy

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<sup>5</sup> A five-year average is used to calculate revenue growth. For fiscal year 2018-19, the period from 2013 to 2017 is used.

commitments for Atlantic Canada. The Agency also worked with the Atlantic Canada Energy Office on issues that affect the competitiveness of the region's oil and gas industry and to support clean technology and energy.

ACOA fostered the adoption of advanced manufacturing technology and business activities between Atlantic Canada and international markets. For instance:

- Prince Edward Island's BioSpa has seen tremendous growth for its skincare products in Atlantic Canada and is exploring opportunities in Canada and abroad. The company is scaling up its operations to match demand and expects to double its sales growth.
- An Accelerated Growth Service client, ProtoCase, expanded its facilities and updated its equipment with several pieces of advanced manufacturing and processing technologies for its customized electronic enclosures. This allowed the company to meet demand as they enter into new and expanded markets while continuing to provide rapid turn-around for clients.

### ***Communities are economically diversified in Atlantic Canada***

In 2019-20, ACOA supported economic diversification of communities and promoted the inclusion of groups such as women, newcomers, Indigenous people, younger and older workers, and persons with disabilities in the Atlantic economy. ACOA has largely met its targets for inclusiveness and economic diversification as demonstrated through the percentage of professional, science and technology-related jobs in the region, which represented 32% of all jobs in Atlantic Canada's economy, slightly above the Agency's target of 31%.<sup>6</sup> Every dollar invested by ACOA in community projects leveraged another dollar in 2019-20.<sup>7</sup> Although this is below ACOA's target, the Community Business Development Corporation (CBDC) network responded to increased demand for business financing in remote and rural communities, as seen by an increase in the overall value of loans and lower cost sharing from funding partners.

ACOA's efforts were key to help bridge the labour and skills divide and increase the region's capacity to attract global talent and international students, retain newcomers through enhanced settlement support, and ensure immigrant entrepreneurs led successful businesses and were integrated into the economy, including in rural areas. A recent evaluation found that "the program delivery model, with local presence as well as convening and pathfinding roles, allows the Agency to be responsive to the diverse and changing economic needs across the region. ACOA has developed or strengthened collaborations to better address immigration, skills and labour, and funding."<sup>8</sup> The Agency played a leadership role in building strategic partnerships with key federal departments such as Immigration, Refugees and Citizenship Canada and the Atlantic Provinces through the promotion of the Atlantic Immigration Pilot and the expansion of the Study & Stay program across all four Atlantic provinces. It also supported the Federal Framework for Aboriginal Economic Development by working closely with Indigenous leadership and businesses, the Atlantic provincial governments, and Indigenous Services Canada. The Agency approved \$14.6 million for 62 projects that supported various Indigenous economic

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<sup>6</sup> Statistics Canada

<sup>7</sup> ACOA calculation

<sup>8</sup> ACOA Innovation Programming Evaluation Report, 2020, <https://www.canada.ca/en/atlas-Canada-opportunities/corporate/transparency/acoa-innovation-eval-2020.html>

development priorities in the region, including Aboriginal economic development, research and business skills development.

The Agency invested \$1.1 million for 24 projects under the Economic Development Initiative in official language minority communities, mostly in rural francophone communities, in francophone communities located mostly in rural areas. Further, ACOA's support to the CBDC network through the Community Futures Program translated into 1,296 loans valued at \$72.1 million, and the leveraging of an additional \$50 million in funds for the creation and expansion of small businesses throughout rural communities in Atlantic Canada. Of the \$72.1 million, 39% went to start-up ventures, assisting 562 businesses. A recent [national, horizontal evaluation of the Community Future Program](#) found that the programming contributed to “strengthening business practices, economic growth, job creation and diversification of rural economies.”<sup>9</sup>

ACOA helped communities diversify, supported women entrepreneurs, and enabled partners to attract and retain skilled global talent in Atlantic Canada:

- The Newfoundland and Labrador Organization of Women Entrepreneurs and its regional partners created the Atlantic Canadian Women in Business Growth Partnership, which addresses gaps for start-ups and scaling up for diverse groups and women-owned businesses in the trades, technology and STEM-related fields.
- ACOA supported capacity training and mentoring in oyster aquaculture in four First Nations communities across New Brunswick. Working with Mi'kmaq community representatives, this type of support was identified as critical in supporting business ventures for First Nations in this growing industry.
- Cape Breton University engaged its international student population to ease seasonal employment demands on Cape Breton Island by providing daily transport to rural tourism jobs. This helped employers access a much-needed labour force, supported the sector and helped students create links to these communities.

### **Gender-based analysis plus (GBA+)**

All ACOA programs are delivered with an inclusive lens to support groups that are underrepresented in Atlantic Canada's economy and among its entrepreneurs, including immigrants, Indigenous people and women. The Agency also continued its efforts to support remote and rural regions, as well as official language minority communities. ACOA has integrated GBA+ into analyses for new initiatives, program evaluations, data and reporting mechanisms – including enhanced agreements with Statistics Canada for disaggregated data – and awareness building across the Agency to highlight the economic benefits of inclusivity.

### **Experimentation**

In partnership with the National Research Council of Canada as the technical lead, ACOA developed a competition under the Impact Canada challenge platform. It attracted numerous applications aimed to find new ways to design an efficient boat hull to lower costs and reduce

<sup>9</sup> Horizontal Evaluation of the Community Futures Program, Innovation, Science and Economic Development Canada, [https://www.ic.gc.ca/eic/site/ae-ve.nsf/vwapj/h\\_03899\\_en.pdf/\\$file/h\\_03899\\_en.pdf](https://www.ic.gc.ca/eic/site/ae-ve.nsf/vwapj/h_03899_en.pdf/$file/h_03899_en.pdf)

greenhouse-gas emissions. Three finalists have been selected for the final stage – building and testing scale models for each design –, which will take place in 2020-21.

## Results achieved

Departmental results	Performance indicators	Target	Date to achieve target	2017-18 Actual results	2018-19 Actual results	2019-20 Actual results
Communities are economically diversified in Atlantic Canada	Percentage of Atlantic Canadian SMEs that are majority owned by women, Indigenous people, youth, visible minorities and persons with disabilities	17.0% female ownership, 1.3% Indigenous ownership, 10.6% youth ownership, and 4.0% visible minority ownership; and 0.3% of person(s) with disabilities ownership	March 31, 2020	Not available <sup>10</sup>	17.1% female ownership, 1.1% Indigenous ownership, 10.6% youth ownership, 4.5% visible minority ownership, and 0.3% persons with disabilities ownership <sup>11</sup>	17.1% female ownership, 1.1% Indigenous ownership, 10.6% youth ownership, 4.5% visible minority ownership, and 0.3% persons with disabilities ownership <sup>11</sup>
	Percentage of professional, science and technology-related jobs in Atlantic Canada's economy	31%	March 31, 2020	32%	32%	31.8%
	Amount leveraged per dollar invested by ACOA in community projects	\$1.25	March 31, 2020	\$1.37	\$1.32	\$1.00
Businesses invest in the development and commercialization of innovative technologies in Atlantic Canada	Value of business expenditures in R&D by firms receiving ACOA program funding, in dollars	\$66.0 million	March 31, 2020	Not available <sup>10</sup>	\$86.7 million	\$86.7 million
	Percentage of businesses engaged in collaborations with higher education institutions in Atlantic Canada	18%	March 31, 2020	Not available <sup>10</sup>	18% <sup>11</sup>	18% <sup>11</sup>
Businesses are innovative and growing in Atlantic Canada	Number of high-growth firms in Atlantic Canada	740 <sup>12</sup>	March 31, 2020	790 <sup>13</sup>	610 <sup>14</sup>	620 <sup>14</sup>
	Value of export of goods (in dollars) from Atlantic Canada	\$22 billion	March 31, 2020	\$24.8 billion	\$26.4 billion	\$28.7 billion
	Value of exports of clean technologies (in dollars) from Atlantic Canada	Not available <sup>15</sup>	March 31, 2020	Not available <sup>10</sup>	Not available <sup>10</sup>	\$464 million <sup>16</sup>
	Revenue growth rate of firms supported by ACOA programs	8%	March 31, 2020	7% <sup>17</sup>	9% <sup>17</sup>	9% <sup>17</sup>

<sup>10</sup> Some data are not available from Statistics Canada.

<sup>11</sup> Figures represent the latest available data from Statistics Canada at the time of drafting. Figures presented for previous years were also the latest available at the time of drafting. Statistics Canada data may have been modified since this report was drafted.

<sup>12</sup> The target and results for this indicator have been revised in the 2020–21 Departmental Plan to reflect changes in Statistics Canada's methodology. The target had been set using the previous methodology.

<sup>13</sup> There was a change in the methodology used by Statistics Canada to measure the number of high-growth firms by revenue, and historical data will not be revised.

<sup>14</sup> There was a change in the methodology used by Statistics Canada to measure the number of high-growth firms by revenue. This explains the variance between the target and the result.

<sup>15</sup> Statistics Canada released results for the clean technology indicator for the first time in this exercise. The result achieved will serve as a reference for our next targets.

<sup>16</sup> Preliminary total from Statistics Canada. This refers to clean technologies exported by firms from all sectors in 2018.

<sup>17</sup> In 2020-21, the results for this indicator were updated based on a five-year average to account for the lag (two years) in data availability from Statistics Canada and fluctuations in the results for this indicator.

**Budgetary financial resources (dollars)**

2019-20 Main Estimates	2019-20 Planned spending	2019-20 Total authorities available for use	2019-20 Actual spending (authorities used)	2019-20 Difference (Actual spending minus Planned spending)
316,009,945	289,063,006	326,572,696	324,518,205	35,455,199

**Human resources (full-time equivalents)**

2019-20 Planned full time equivalents	2019-20 Actual full time equivalents	2019-20 Difference (Actual full time equivalents minus Planned full time equivalents)
382	378	(4)

Financial, human resources and performance information for ACOA's Program Inventory is available in [GC InfoBase](#)<sup>1</sup>.

## 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 the 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 (IM) Services
- ▶ Information Technology (IT) Services
- ▶ Legal Services
- ▶ Material Management Services
- ▶ Management and Oversight Services
- ▶ Real Property Management Services

### Results:

ACOA supported workplace well-being by continuing to foster a healthy, respectful, accessible and inclusive workplace.

During 2019-20, the Agency established the office of Internal Conflict Management Services to contribute to a high-performing workplace that is respectful, healthy and inclusive by focusing on building collaborative skills that help resolve conflicts early and at the lowest possible level. In addition, the Agency developed in-house training to increase the awareness and competencies of all ACOA employees on diversity and inclusion, aiming at increasing representativeness and fostering an inclusive workplace. ACOA's 2019 Values and Ethics Strategy was also implemented to ensure that values and ethics remain at the foundation of the Agency's corporate culture, and support open dialogue at all levels of the organization.

ACOA continued to find ways to leverage technology by implementing IM/IT initiatives in support of the Government of Canada Digital Operations Strategic Plan for 2018-2022. These initiatives include the ongoing work to decommission legacy and aging systems in favour of cloud services, continuing the expansion of GCWiFi service in all regional offices, and laying the groundwork for the implementation of the GC Secret Infrastructure service in some offices. ACOA also offered training sessions on tools to improve employee productivity.



ACOA implemented organizational initiatives to strengthen and improve the efficiency of service and program delivery. For example, the Agency enhanced its financial planning and forecasting capacity and streamlined processes related to contracting of services, procurement of goods, travel approvals, internal controls and post-payment verification processing. It continued to collaborate with other RDAs to improve upon the efficient delivery of programs and services to Canadians, including the development of a common grants and contributions system.

In support of accountability and evidence-based decision-making, ACOA maintained a strong focus on results and impact through ongoing performance measurement, evaluation and analysis of its programs and services. In 2019-20, the Agency undertook an [evaluation of its Innovation programming](#)<sup>18</sup> and participated in a national, horizontal [evaluation of the Community Futures Program](#).<sup>19</sup>

ACOA ensured that its key activities and budgetary resources remain aligned with Government of Canada priorities and the Agency's mandate. To do so, it integrated human resources, financial management, risk management, performance measurement and evaluation considerations into its planning and decision-making processes.

### Budgetary financial resources (dollars)

2019-20 Main Estimates	2019-20 Planned spending	2019-20 Total authorities available for use	2019-20 Actual spending (authorities used)	2019-20 Difference (Actual spending minus Planned spending)
26,571,454	26,553,941	27,919,593	27,141,436	587,495

### Human resources (full-time equivalents)

2019-20 Planned full time equivalents	2019-20 Actual full time equivalents	2019-20 Difference (Actual full time equivalents minus Planned full time equivalents)
196	197	1

<sup>18</sup> ACOA Innovation Programming Evaluation Report, <https://www.canada.ca/en/atlantic-canada-opportunities/corporate/transparency/acoa-innovation-eval-2020.html>

<sup>19</sup> Horizontal Evaluation of the Community Futures Program, Innovation, Science and Economic Development Canada, [https://www.ic.gc.ca/eic/site/ae-ve.nsf/vwapj/h\\_03899\\_en.pdf/\\$file/h\\_03899\\_en.pdf](https://www.ic.gc.ca/eic/site/ae-ve.nsf/vwapj/h_03899_en.pdf/$file/h_03899_en.pdf)

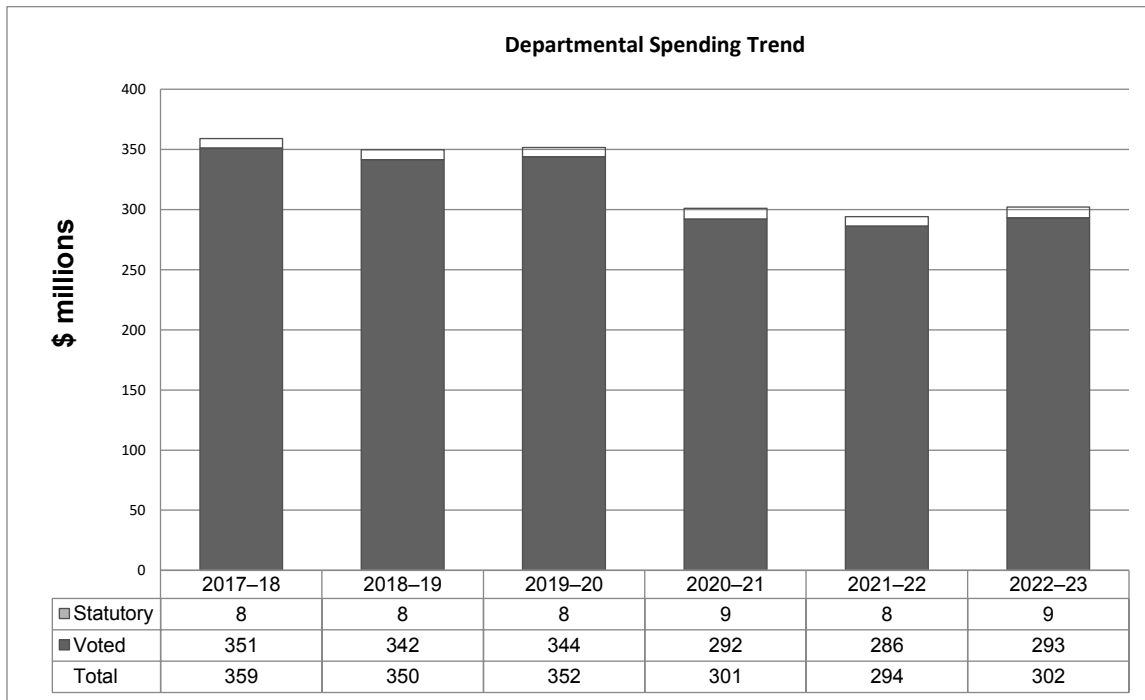


## Analysis of trends in spending and human resources

### Actual expenditures

#### Departmental spending trend graph

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



Actual spending: 2017-18, 2018-19, 2019-20. Planned spending: 2020-21, 2021-22, 2022-23.

Planned spending for 2020-21, 2021-22 and 2022-23 does not include COVID-19 related amounts and excess amounts related to the collection of repayable contributions because decisions on the excess amount of collections that can be re-invested by the Agency are made later in the fiscal cycle.

In 2019-20, the Agency’s spending increased to \$351.7 million with no significant variance compared to \$349.6 million in 2018-19.

The decrease in planned spending from 2019-20 to 2020-21 and 2021-22 is attributable mainly to:

- a reprofile of funds into 2019-20 as a result of project/contracting delays;
- the expiration of temporary funding for the Regional Economic Growth through Innovation program – Supporting SME users of steel and aluminum initiative;
- the expiration of temporary funding for the Budget 2019 measure: launching a federal strategy on jobs and tourism; and
- the inability to include excess amounts of collections related to the reinvestment of repayable contributions, as explained in the note under the above graph.

The increase in planned spending for 2022-23 is attributable mainly to the conclusion of funding transferred to Natural Resources Canada for Protecting Jobs in Eastern Canada's Forestry Section, announced in Budget 2018.

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

Core responsibilities and Internal Services	2019-20 Main Estimates	2019-20 Planned spending	2020-21 Planned spending	2021-22 Planned spending	2019-20 Total authorities available for use	2017-18 Actual spending (authorities used)	2018-19 Actual spending (authorities used)	2019-20 Actual spending (authorities used)
Economic development in Atlantic Canada	316,009,945	289,063,006	274,054,608	267,832,948	326,572,696	332,744,431	323,354,426	324,518,205
Budget Implementation vote – unallocated authorities	-	-	-	-	26,772	-	-	-
Subtotal	316,009,945	289,063,006	274,054,608	267,832,948	326,599,468	332,744,431	323,354,426	324,518,205
Internal Services	26,571,454	26,553,941	26,961,156	26,265,143	27,919,593	26,241,166	26,243,126	27,141,436
Total	342,581,399	315,616,947	301,015,764	294,098,091	354,519,061	358,985,597	349,597,552	351,659,641

For 2019-20, planned spending of \$315.6 million increased by \$38.9 million, resulting in total authorities available for use of \$354.5 million. This was due to the following additional authorities received during the fiscal year:

- \$27.5 million related to the collection of repayable contributions. This is an adjustment required annually to account for collections in excess of the base amount included in ACOA's reference levels;
- \$3.1 million related to the amount transferred from the Department of National Defence in support of the Halifax International Security Forum;
- \$3.0 million related to an operating budget carry-forward from 2018-19;
- \$2.5 million related to compensation allocations resulting from revised collective agreements;
- \$2.2 million related to temporary funding announced in Budget 2019 for launching a federal strategy on jobs and tourism; and
- \$0.8 million related to temporary funding announced in Budget 2018 for the Women Entrepreneurship Strategy.

The increase is offset by a total decrease of \$0.2 million related to various adjustments.

From the 2019-20 total authorities of \$354.5 million, actual spending was \$351.7 million. This resulted in a surplus of \$2.8 million. Of that amount, \$2.7 million was carried forward as part of the Agency's operating budget and the remaining balance lapsed.

## Actual human resources

### Human resources summary for core responsibilities and Internal Services

Core responsibilities and Internal Services	2017-18 Actual full-time equivalents	2018-19 Actual full-time equivalents	2019-20 Planned full-time equivalents	2019-20 Actual full-time equivalents	2020-21 Planned full-time equivalents	2021-22 Planned full-time equivalents
Economic development in Atlantic Canada	376	378	382	378	381	381
Subtotal	376	378	382	378	381	381
Internal Services	195	194	196	197	196	196
Total	571	572	578	575	577	577

Human resource levels at ACOA remain stable. The minor fluctuations that occur reflect the realignment of human resources to support priorities and projects. The Agency will continue to achieve its results by allocating its human resources to best support its priorities and programs.

## Expenditures by vote

For information on ACOA's organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2019-2020](#).<sup>ii</sup>

## Government of Canada spending and activities

Information on the alignment of ACOA's spending with the Government of Canada's spending and activities is available in [GC InfoBase](#).<sup>iii</sup>

## Financial statements and financial statement highlights

### Financial statements

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

## Financial statement highlights

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

Financial information	2019-20 Planned results	2019-20 Actual results	2018-19 Actual results	Difference (2019-20 Actual results minus 2019-20 Planned results)	Difference (2019-20 Actual results minus 2018-19 Actual results)
Total expenses	275,208,753	268,888,565	256,386,179	(6,320,188)	12,502,386
Total revenues	19,351	20,204	23,177	853	(2,973)
Net cost of operations before government funding and transfers	<b>275,189,402</b>	<b>268,868,361</b>	<b>256,363,002</b>	<b>(6,321,041)</b>	<b>12,505,359</b>

Actual total expenses were \$268.9 million in fiscal year 2019-20, an increase of \$12.5 million (4.9%) compared to the previous fiscal year.

The increase were mainly due to a rise in salary cost of \$6 million, related to collective agreement as well as an adjustment to the allowance leave provision, and an accounting adjustment made every year for conditionally repayable contributions. When payments are made on conditionally repayable contributions, the amounts are captured as expenses until conditions for repayment are met, at which time the Agency reduces its expenses and increases its accounts receivable. During the 2018-2019 fiscal year, the reduction to expenses was \$4 million greater than during the 2019-20 fiscal year.

Of the total expenses of \$268.9 million, \$238.3 million (88.6%) was used to support economic development in Atlantic Canada while \$30.6 million (11.4%) was expended for Internal Services.

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

Financial information	2019-20	2018-19	Difference (2019-20 minus 2018-19)
Total net liabilities	36,445,355	60,894,073	(24,448,718)
Total net financial assets	28,606,693	55,472,270	(26,865,577)
Departmental net debt	<b>7,838,662</b>	<b>5,421,803</b>	<b>2,416,859</b>
Total non-financial assets	2,184,920	2,006,822	178,098
Departmental net financial position	<b>(5,653,742)</b>	<b>(3,414,981)</b>	<b>(2,238,761)</b>

Total net liabilities were \$36.4 million at the end of the 2019-20 fiscal year, representing a decrease of \$24.4 million (40.1%) from fiscal year 2018-19. The decrease is the result of intensified efforts made to issue payment prior to year-end in response to COVID-19, which of the effect of decreasing total net liabilities.

Total net financial assets equaled \$28.6 million at the end of the 2019-20 fiscal year, a decrease of \$26.9 million (48.4%) over the previous year's total. The assets primarily consist of the "Due from the Consolidated Revenue Fund" (\$27 million), which is used to discharge the Agency's liabilities.

Total non-financial assets were \$2.2 million at the end of 2019-20 fiscal year, an increase of \$0.2 million (8.9%) over the previous fiscal year's total. The increase is mainly attributable to work in progress related to the Grants and Contributions Program Management system.





## **Additional information**

### **Organizational profile**

**Appropriate minister:** The Honourable Mélanie Joly, PC, MP

**Institutional head:** Francis P. McGuire, President

**Ministerial portfolio:** Innovation, Science and Economic Development

**Enabling instrument:** Part I of the Government Organization Act, Atlantic Canada 1987, R.S.C., 1985, c. 41 (4th Supp.), also known as the *Atlantic Canada Opportunities Agency Act*.

See the [Department of Justice Canada website](#)<sup>iv</sup> for more information.

**Year of incorporation / commencement:** 1987

### **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 the ACOA website.

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

## Reporting framework

ACOA's Departmental Results Framework and Program Inventory of record for 2019-20 are shown below.

Departmental Results Framework	Core Responsibility: Economic development in Atlantic Canada		Internal Services
	Departmental Result: Communities are economically diversified in Atlantic Canada	Indicator: Percentage of Atlantic Canadian SMEs that are majority owned by women, Indigenous people, youth, visible minorities and persons with disabilities	
		Indicator: Percentage of professional, science and technology-related jobs in Atlantic Canada's economy	
		Indicator: Amount leveraged per dollar invested by ACOA in community projects	
	Departmental Result: Businesses invest in the development and commercialization of innovative technologies in Atlantic Canada	Indicator: Value of business expenditures in R&D by firms receiving ACOA program funding in dollars	
		Indicator: Percentage of businesses engaged in collaborations with higher education institutions in Atlantic Canada	
	Departmental Result: Businesses are innovative and growing in Atlantic Canada	Indicator: Number of high-growth firms in Atlantic Canada	
		Indicator: Value of exports of goods (in dollars) from Atlantic Canada	
		Indicator: Value of exports of clean technologies (in dollars) from Atlantic Canada	
		Indicator: Revenue growth rate of firms supported by ACOA programs	
Program Inventory	Program: Inclusive Communities		
	Program: Diversified Communities		
	Program: Research and Development, and Commercialization		
	Program: Innovation Ecosystem		
	Program: Business Growth		
	Program: Trade and Investment		
	Program: Policy Research and Engagement		

## Supporting information on the program inventory

Financial, human resources and performance information for ACOA's Program Inventory is available in [GC InfoBase](#).<sup>v</sup>

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## Supplementary information tables

The following supplementary information tables are available on ACOA's website:

- ▶ [Departmental Sustainable Development Strategy](#)
- ▶ [Details on transfer payment programs of \\$5 million or more](#)
- ▶ [Gender-based analysis plus](#)
- ▶ [Responses 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](#).<sup>vi</sup> This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

## Organizational contact information

Atlantic Canada Opportunities Agency  
P.O. Box 6051  
Moncton, New Brunswick E1C 9J8  
Courier address:  
644 Main Street  
Moncton, New Brunswick E1C 1E2

General inquiries: 506-851-2271  
Toll free (Canada and the United States): 1-800-561-7862  
Facsimile: 506-851-7403  
Secure Facsimile: 506-857-1301  
TTY: 1-877-456-6500  
Access to Information/Privacy: 506-851-2271  
<https://www.canada.ca/en/atlantic-canada-opportunities.html>



## **Appendix: definitions**

### **appropriation** (crédit)

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

### **budgetary expenditures** (dépenses budgétaires)

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

### **core responsibility** (responsabilité essentielle)

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

### **Departmental Plan** (plan ministériel)

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

### **departmental priority** (priorité)

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

### **departmental result** (résultat ministériel)

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

### **departmental result indicator** (indicateur de résultat ministériel)

A quantitative measure of progress on a departmental result.

### **departmental results framework** (cadre ministériel des résultats)

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

### **Departmental Results Report** (rapport sur les résultats ministériels)

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

**experimentation** (expérimentation)

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

**full-time equivalent** (équivalent temps plein)

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

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

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

**government-wide priorities** (priorités pangouvernementales)

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

**horizontal initiative** (initiative horizontale)

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

**non-budgetary expenditures** (dépenses non budgétaires)

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

**performance** (rendement)

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

**performance indicator** (indicateur de rendement)

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

**performance reporting** (production de rapports sur le rendement)

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

**plan** (plan)

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

**planned spending** (dépenses prévues)

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

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

**program** (programme)

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

**program inventory** (répertoire des programmes)

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

**result** (résultat)

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

**statutory expenditures** (dépenses législatives)

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

**target** (cible)

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

**voted expenditures (dépenses votées)**

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



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## Endnotes

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- <sup>i</sup> GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- <sup>ii</sup> Public Accounts of Canada, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- <sup>iii</sup> GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- <sup>iv</sup> Government of Canada, Justice Laws Website, <http://laws-lois.justice.gc.ca/eng/acts/G-5.7/page-1.html>
- <sup>v</sup> GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- <sup>vi</sup> Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>