

Atlantic Canada Opportunities Agency

2017-18

Departmental Results Report

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development

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Minister's message

I am pleased to present the 2017-18 Departmental Results Report for the Atlantic Canada Opportunities Agency.

Over the past year, through integrated work across the various organizations of the Innovation, Science and Economic Development portfolio, the Government of Canada worked very hard to improve Canada's global competitiveness while creating jobs, nurturing growth and strengthening our country's middle class.

In 2017-18, the portfolio continued to implement the Innovation and Skills Plan to promote innovation and science, including support for scientific research and the commercialization of research and ideas. The Plan also encourages Canadian small businesses to grow, scale up, and become more productive, more innovative and more export-oriented. An important area of this work included promoting increased tourism in Canada and the creation of new opportunities in our tourism sector. The Plan's overarching aim to position Canada as an innovation leader has been the driving focus of the portfolio's programs.

During the past year, the Atlantic Canada Opportunities Agency continued to promote sustainable and inclusive economic development in Atlantic Canada. The Agency supports the innovation and growth of small and medium-sized enterprises, and helps communities to further develop and diversify their economies. Through the Atlantic Growth Strategy, the Agency and its federal and provincial partners are helping the region's economy to evolve and become more globally competitive. The strategy will continue to play a key role in building a robust and skilled Atlantic workforce and in creating meaningful employment for the middle class, now and in the years to come.

Through deep collaborations and inclusive partnerships, the Innovation, Science and Economic Development portfolio organizations have embarked on a shared journey to stronger, cleaner and more inclusive economic competitiveness that benefits all Canadians. This report documents the contributions that the Atlantic Canada Opportunities Agency is making towards this important work.



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Results at a glance

Total actual spending for 2017 18	Total actual full time equivalents for 2017 18
\$358,985,597	571

In 2017-18, the Atlantic Canada Opportunities Agency (ACOA) invested in strategic projects across Atlantic Canada in support of Canada's Innovation and Skills Plan, the Investing in Regional Innovation and Development framework, and the Atlantic Growth Strategy. Priority initiatives included the following:

- ACOA invested over \$227 million in 790 projects to support innovation and growth of small and medium-sized enterprises (SMEs) in Atlantic Canada. As part of these efforts, the Agency supported 54 high-growth firms, signed up 29 new firms in the Accelerated Growth Service and provided over \$7.6 million to support the work of accelerators and incubators. ACOA also focused on the development and adoption of clean technologies in the Atlantic region, which led to an investment of approximately \$36 million to help accelerate the region's transition to a cleaner, low-carbon economy. Examples of ACOA's support for enterprise development include:
 - Maison BeauSoleil, from New Brunswick, developed a one-of-a-kind automated system that sorts, counts and boxes oysters. This unique automated production line will not only enhance productivity but also help improve product sustainability and food safety.
 - Volta Labs, from Nova Scotia, strengthened the technology ecosystem in Atlantic Canada through mentorship and community-driven support. Volta Labs' programs included Women Taking Over The World With Tech, and Volta Cohort, a collaboration with ACOA, the Business Development Bank of Canada and Innovacorp to help early-stage, high-calibre companies from across Atlantic Canada attract and secure investment.
 - Seaformatics, a clean technology company from Newfoundland and Labrador, worked to advance and commercialize its new microturbine-charging device. Seaformatics aims to sell a suite of turbine products and systems that allow its customers to harness renewable energy in the form of flowing water and wind to recharge stand-alone devices.
- ACOA fostered sustainable and inclusive growth by investing more than \$98 million in 420 projects to help develop and diversify communities. The Agency supported various Indigenous economic development priorities, developed strategic partnerships in support of immigration and fostered talent attraction and retention in the region. Examples of ACOA's support for community development include:
 - Abegweit Conservation Society (ACS), an Indigenous-owned business from Prince Edward Island, converted its existing facility from a flow-through system to a recirculating aquaculture system. The new system reduces the

need for fresh, clean water and decreases the waste discharge while maintaining a healthy environment, thus contributing to ACS's overarching goal of reducing the ecological footprint of the facility.

- EduNova, from Nova Scotia, implemented Study and Stay, an international student retention pilot project, which should be extended to include all four Atlantic provinces. This project provided targeted services and support to 50 graduating international university students to enable them to live and work in Nova Scotia after their graduation.
- Éveil PME was a two-day forum held in New Brunswick and attended by 200 Francophone post-secondary students from all four Atlantic provinces, including international students. The forum was hosted by a consortium of official language minority community organizations involved in economic development. It received a high approval rating from participants. Éveil PME promoted entrepreneurship as a viable career choice. It also supported succession planning for businesses and provided knowledge, tools and networking opportunities for participants wishing to start their own businesses.
- The Agency capitalized on key opportunities to strengthen Atlantic Canada's economy by leveraging regional competitive advantages, engaging stakeholders and advancing the region's interests in national policy and program development. For example:
 - ACOA led priority initiatives aligned with the Atlantic Growth Strategy pillars and collaborated with other federal departments and provincial governments to deliver Atlantic Growth Strategy activities. The Agency continued implementing the \$20 million Atlantic Trade and Investment Growth Agreement to support export development, as well as the \$24.5 million Atlantic Canada Agreement on Tourism to help businesses and tourism operators expand. The Agency also led the preparation of key reports, such as the Year 1 Results Report to Atlantic Canadians and the response to the Atlantic Growth Advisory Group Report.
 - The Agency positioned and promoted regional industries, leveraging opportunities through industrial technological benefits (ITB). It helped secure approximately \$484 million in ITB commitments for Atlantic Canada.
 - ACOA has identified regional priority files on which to focus its efforts in the region: advanced manufacturing, clean growth, agri-food, immigration, Indigenous economic development, access to national programs, oceans, and start-ups.

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

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

Raison d'être

Established in 1987 (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), the Atlantic Canada Opportunities Agency (ACOA) is the federal department responsible for the Government of Canada's economic development efforts in the provinces of New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador.

The Agency works to create opportunities for economic growth in Atlantic Canada by helping businesses become more competitive, innovative and productive, by working with diverse communities to develop and diversify local economies, and by championing the strengths of the region. Together with Atlantic Canadians, ACOA is building a stronger economy.

The Minister of Innovation, Science and Economic Development is responsible for this organization.

Mandate and role

ACOA plays an important role in developing and supporting policies and programs that strengthen the Atlantic region's economy. The Agency's legislation mandates the organization "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."¹ Although the Agency's policies and program tools have evolved since its inception, its overall goal remains constant: helping the Atlantic region realize its full economic potential in terms of productivity, innovation, competitiveness and growth. This is achieved by addressing structural changes in the economy, helping communities and businesses to overcome challenges, and capitalizing on opportunities.

As a member of the Innovation, Science and Economic Development portfolio, and as the lead economic development department in Atlantic Canada, ACOA plays a regional leadership role in delivering on Canada's Innovation and Skills Plan and on other Government of Canada priorities, both through the Agency's mandate and through the Atlantic Growth Strategy.

The Agency provides services through its head office in Moncton, New Brunswick, and throughout the Atlantic provinces, with [four regional offices located in the provincial capitals, and 24 local field offices](#). Through its Ottawa office, ACOA ensures that

¹ Atlantic Canada Opportunities Agency Act, R.S.C., 1985, c. 41, 4th Supp.

Atlantic Canada's interests are understood and reflected in the policies and programs developed by other departments and agencies of the federal government.

For more general information about the Agency, see the "Supplementary information" section of this report. For more information on the Agency's mandate letter commitments, see the [minister's mandate letter](#).

Operating context and key risks

Operating context

The Atlantic Canadian economy has undergone significant transformation over the past few years. While resource-based industries, such as fishing and forestry, and associated manufacturing activities remain important to Atlantic Canada's economy, especially in rural areas, economic activity in the region has diversified. Since 2000, economic growth in Atlantic Canada has been driven by the mining and oil and gas sectors, the construction sector, the information and communications technology sector, the business support services sector and retail trade. Because of this diversification, living standards have improved in the region. Real gross domestic product (GDP) per capita has risen to stand at \$38,628,² representing 81%³ of the national level in 2017, up from 76%⁴ in 2000.

Growth in commodity exports from Atlantic Canada has progressed well during this period, performing better than the rest of the country. Much of this was due to increased shipments of refined petroleum, crude oil, minerals and seafood products. Atlantic exports are also diversifying over time, with highly innovative sectors such as aerospace growing in importance. While the Atlantic region still relies on the United States as an export destination, the region's firms have become more engaged in global value chains and have expanded into other markets, such as the European Union and Asia.

Notwithstanding these improvements, and despite strong growth before the recession, the recovery in Atlantic Canada since the economic downturn has been slow. Before the recession, economic growth in the region, driven by offshore oil development in Newfoundland and Labrador, was on par with Canada. Since the recession, real GDP has grown in Atlantic Canada, but remains below the national level. More recently, after a sound expansion in 2016, Atlantic Canada's real GDP increased by 1.8%⁵ in 2017 (to \$92.5 billion). However, the region's performance remained below the national level, as real GDP for Canada, fueled by a booming housing market and strong consumer spending, rose by 3.3%.⁶

On the trade front, strong growth in the world economy, a stable Canadian dollar, and improved energy prices have helped lift exports from Atlantic Canada. The value of

² Statistics Canada, Table 379-0030 - Gross domestic product at basic prices, by North American Industry Classification System, provinces and territories, and Table 051-0001 - Estimates of population. Data retrieved on May 11, 2018. Calculations by ACOA.

³ Ibid.

⁴ Statistics Canada, Table 379-0031 - Gross domestic product at basic prices, by North American Industry Classification System, monthly, and Table 051-0001 - Estimates of population. Data retrieved on May 11, 2018. Calculations by ACOA.

⁵ Statistics Canada, Table 379-0030 - Gross domestic product at basic prices, by North American Industry Classification System, provinces and territories. Data retrieved on May 10, 2018. Calculations by ACOA.

⁶ Statistics Canada, Table 379-0031 - Gross domestic product at basic prices, by North American Industry Classification System, monthly. Data retrieved on May 10, 2018. Calculations by ACOA.

commodity exports from Atlantic Canada increased by 16%⁷ in 2017 compared to 2016, mainly due to a 27%⁸ increase in energy exports. The value of non-energy exports rose by 8%⁹ during the same period.

Additionally, increased global competition is requiring businesses in Atlantic Canada to be more competitive and productive. Research and development expenditures in Atlantic Canada (an indicator in understanding innovation and productivity levels) rose by an annual average of 2.5%¹⁰ from 2005 to 2015, exceeding the national increase of 1.6%¹¹ – with improvement occurring in businesses and higher education institutions. In order to succeed and grow, firms also need to be able to access the skilled and unskilled labour force required for their businesses. To this effect, the share of immigrants to Atlantic Canada rose from 1.5% of the national total in 2005 to 4.1% in 2017.¹²

⁷ Trade Data Online; Innovation, Science and Economic Development Canada. Data retrieved on May 11, 2018. Calculations by ACOA.

⁸ Ibid.

⁹ Ibid.

¹⁰ Statistics Canada, Table 358-0001 - Gross domestic expenditures on research and development. Data retrieved on May 11, 2018. Calculations by ACOA.

¹¹ Ibid.

¹² Statistics Canada, Table 051-0037 - International migration components, Canada, provinces and territories, quarterly (persons). Data retrieved on May 11, 2018. Calculations by ACOA.

Key risks

Risk	Mitigating strategy and effectiveness	Link to the department's programs	Link to mandate letter commitments, or to government wide and departmental priorities
<p>Economic Context</p> <p>There is a risk that the achievement of expected results from the Agency's economic development programming may be affected by external factors that contribute to uncertainties for economic growth in Atlantic Canada.</p>	<p>ACOA's numerous networks, regional presence, strong knowledge of the region and agility were key in mitigating this risk and bringing it to an acceptable threshold.</p> <ul style="list-style-type: none"> - Priority files led by executive committee members ensured a more cohesive and proactive approach to managing current priorities, including contributions to various national strategies such as Canada's Innovation and Skills Plan and the Atlantic Growth Strategy. - Throughout the year, policy research and analysis were conducted on major trends affecting the region. ACOA also supported key reports examining the many factors influencing the regional economy and how the region can adapt to take advantage of new opportunities. - ACOA responded to current priorities by leveraging the flexibilities of its programming. <p>The Risk Management Committee met on a regular basis to review risks and mitigating measures.</p>	<p>Enterprise Development</p> <p>Community Development</p> <p>Policy, Advocacy and Coordination</p>	<p>Mandate Letter:</p> <ul style="list-style-type: none"> - to help Canadian businesses grow, innovate and export; more specifically, to make strategic investments that build on competitive regional advantages - to develop an Innovation Agenda <p>Results and Delivery Charters:</p> <ul style="list-style-type: none"> - Innovation and Skills Plan and its regional component, the Investing in Regional Innovation and Development framework - Atlantic Growth Strategy
<p>External Capacity</p> <p>There is a risk that partner, community and client capacity for the identification, development and successful implementation of strategic projects may not be sufficient to support the optimal achievement of ACOA's program objectives.</p>	<p>ACOA's numerous networks, regional presence, strong knowledge of the region and agility were key in mitigating this risk and bringing it to an acceptable threshold.</p> <ul style="list-style-type: none"> - ACOA focused on ongoing, proactive intelligence gathering and facilitated federal-provincial dialogues. The Agency was a strong partner and coordinator in joint meetings and shared actions with all key partners. - These engagement efforts, along with a solid integrated planning process, contributed to understanding and strategically addressing differences in how this risk expresses itself across ACOA regions. - This led to identifying partnership opportunities and potential alignment of provincial opportunities under the Atlantic Growth Strategy and the Innovation and Skills Plan. - Moreover, ACOA adopted a strategic approach to building partnerships and capacity to foster growth and diversification in Indigenous communities, rural communities and Government of Canada priority sectors. <p>The Risk Management Committee met on a regular basis to review risks and mitigating measures.</p>	<p>Community Development</p> <p>Enterprise Development</p> <p>Policy, Advocacy and Coordination</p>	<p>Mandate Letter:</p> <ul style="list-style-type: none"> - to help Canadian businesses grow, innovate and export; more specifically, to make strategic investments that build on competitive regional advantages - to develop an Innovation Agenda <p>Results and Delivery Charters:</p> <ul style="list-style-type: none"> - Innovation and Skills Plan and its regional component, the Investing in Regional Innovation and Development framework - Atlantic Growth Strategy

During the past year, ACOA's work continued to be driven by client requirements, Government of Canada priorities, and ever-changing local and regional economic landscapes, as described in the operating context. These drivers gave rise to uncertainties that can affect the Agency's ability to achieve expected results.

Through its risk response strategies (in this case, its management action plans), ACOA continued to address challenges and capitalize on opportunities. The Agency focused its activities and resources to ensure proper alignment of its mandate with the Government of Canada priorities. The Agency accomplished this through strong collaboration and information sharing within the Innovation, Science and Economic Development portfolio, and with other federal and provincial departments and agencies, and by delivering its programming in a manner that was integrated, strategic, and responsive to the circumstances affecting each Atlantic province.

Internally, ACOA is working to align its current structures, processes, programs, and human and financial resources. This alignment work aims to respond to the number and complexity of priorities, as well as to deliver and report on results in a timely and sustained manner while meeting client expectations. In light of the economic context in Atlantic Canada, part of the alignment work resulted in the creation of regional priority files championed at the assistant deputy minister level and focused on taking full advantage of new opportunities in the region.

Results: what we achieved

Programs

Enterprise Development

Description

Despite recent economic progress and some promising opportunities on the horizon (e.g. energy, shipbuilding), some significant challenges remain for the region to maximize positive growth. One of the most telling indicators of this is that in a number of sectors, productivity remains significantly lower than in leading countries and other regions of Canada. The Agency works in partnership with Atlantic Canadian businesses, stakeholders, industry and institutions to improve the growth and productivity of Atlantic Canada's economy, leading to increased competitiveness, higher earned incomes and job creation. The Agency works to improve the capacity of Atlantic Canada's rural and urban areas for economic growth through a variety of strategically focused mechanisms: assisting businesses, particularly small and medium-sized enterprises, to start, expand or modernize and to establish or expand export activities; partnering with universities and other institutions to increase the region's research and development capacity, commercialization and productivity; and promoting and participating in the region's transition to a knowledge economy.

Results

In 2017-18, ACOA continued to build on Atlantic Canada's regional strengths and competitive advantages by delivering the Innovation and Skills Plan and moving forward on the Atlantic Growth Strategy, while leveraging opportunities for immigrants, Indigenous people, women and youth. ACOA invested in the innovation and growth of SMEs in Atlantic Canada by focusing on the development of talent, business skills and entrepreneurial culture, as well as targeting strategic support for high-potential firms, incubators and accelerators.

For example, the Agency supported the ProfitLearn program, providing practical business management skills training to New Brunswick-based firms in the areas of marketing and sales, human resources, strategic planning, management and operations, financial management, and business leadership.

The Agency focused efforts on strategic sectors such as food and advanced manufacturing. As part of the work around the development a food cluster under the Atlantic Growth Strategy, consultations led to the creation of the Atlantic Canada Food Working Group. This working group aims to identify opportunities to grow the region's food sector, advance actions in support of this sector, and leverage the work of the national table by working with other federal and provincial stakeholders. ACOA also consulted with some 40 stakeholders regarding advanced manufacturing and adapted its tools and programs to support both clients and employees in discussing and identifying opportunities in advanced manufacturing. For example, ACOA helped Amalgamated

Dairies Limited, from Prince Edward Island, undertake a major advanced manufacturing project to modernize its operations. The modernization, which included installing new innovative equipment, allowed the dairy processing cooperative to enhance productivity and increase its production capacity by 40%.

ACOA continued to invest in the region's network of incubators and accelerators, such as the Genesis Group Inc. at Memorial University of Newfoundland, to enhance entrepreneurial and commercialization opportunities for high-growth firms through the group's newly designed Evolution Program and redesigned Enterprise Program. Both programs help prepare high-growth firms for private investment, commercialization and enhanced key skills. ACOA also supported the Startup Zone, which partnered with Island Capital Partners, an early-stage venture capital fund established to invest in high-potential companies and entrepreneurs in Prince Edward Island.

In addition, ACOA supported clean growth in Atlantic Canada by fostering the development and adoption of clean technologies, and focused on international business development opportunities by investing in the increase and diversification of exporters, and supporting the attraction of foreign direct investments. For example:

- Sustane Technologies Inc., a Nova Scotia clean technology company, is working to commercialize and market new ways of extracting valuable biofuels from solid waste through a process that generates zero emissions.
- Ensuring the Atlantic Canadian presence at Oceanology International London, the largest ocean technology trade event in the world. The event was a prime opportunity for participants to access new market opportunities throughout the globe. It also served to educate the world as to developments occurring around the Atlantic Canadian ocean technology supercluster.

Finally, ACOA improved the growth and competitiveness of Atlantic Canadian businesses, as demonstrated through the business survival and labour productivity of ACOA-assisted firms. The five-year business survival rate for ACOA-assisted firms is notably higher than that of unassisted firms. In fact, the business survival rate for ACOA-assisted firms was 59% after the crucial fifth year following start-up for the 2005 to 2015 period, compared with 33% for unassisted firms. This represents a variance in the five-year business survival rate of 26 percentage points between ACOA-assisted firms and unassisted firms.

Labour productivity in ACOA-assisted firms experienced healthy growth between 2010 and 2015. Sales per worker rose by 2.8% per year in ACOA-assisted firms. In comparison, sales per worker decreased by 0.5% per year in unassisted firms over the same period. This represents a variance of 3.4 percentage points between ACOA-assisted firms and unassisted firms.

Results achieved

Expected result	Performance indicator	2017 18 Annual target	Date to achieve target	2017 18 Actual result	2016 17 Actual result	2015 16 Actual result
Improved growth and competitiveness of Atlantic Canadian SMEs	Percentage points by which the business survival rate of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	10	March 31, 2018	26	26	26
	Percentage points by which the labour productivity growth of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	3	March 31, 2018	3.4	0.3	6.1

Budgetary financial resources (dollars)

2017 18 Main Estimates	2017 18 Planned spending	2017 18 Total authorities available for use	2017 18 Actual spending (authorities used)	Difference (actual minus planned)
170,058,923	170,058,923	204,135,514	201,219,382	31,160,459

Human resources (full-time equivalents [FTEs])

2017 18 Planned	2017 18 Actual	Difference (actual minus planned)
222	217	(5)

Community Development

Description

The Atlantic economy is built on the region's many geographic, linguistic and cultural communities. From rural areas to larger urban centres, the opportunities and challenges vary significantly. Communities are the foundation of economic development and are critical for economic prosperity. The Agency recognizes the importance of communities and supports their efforts to develop the resources they need to contribute fully to their economic development. For these reasons, the Agency focuses community development efforts and strategies to create dynamic and sustainable communities with increased economic and business activities as well as quality public infrastructure. The Agency develops and delivers programming that meets the unique economic development needs of rural areas in Atlantic Canada and that contributes to a stronger region. The Agency collaborates with the private sector, other levels of government, other federal government departments, educational institutions, non-profit organizations and communities to leverage support, coordinate economic development, identify and capitalize on emerging opportunities and react to economic challenges across the region. This requires a flexible approach based on the realities of a given community's capacities, strengths and challenges.

Results

In 2017-18, ACOA supported the creation of dynamic and sustainable communities by making strategic investments in key sectors such as tourism, energy and other projects for value-added industries, including productivity improvements. The Agency promoted inclusive growth by integrating gender-based analysis plus principles and tools into its practices. A total of 96% of projects achieved their expected results, exceeding the 80% target. For example:

- In Prince Edward Island, ACOA supported the resort municipality of Bayview to complete the installation of new fiber networks, including phones, cables and security systems and internet speeds of up to one gigabyte per second. This will allow innovation and digitization in the tourism sector, while promoting increased productivity and competitiveness of firms.

The Agency played a leadership role in developing strategic partnerships with key federal departments, such as Immigration, Refugees and Citizenship Canada, and provincial governments in support of immigration and the Atlantic Immigration Pilot (AIP) in order to help attract and retain skilled global talent and to develop supporting projects. For example:

- ACOA supported the AIP, a partnership between the Government of Canada and the four Atlantic Provinces, to attract and retain skilled immigrants to the region. In Nova Scotia, ACOA promoted the AIP through three partnership projects – the Halifax partnership, the Western Regional Enterprise Network and the Cape Breton Partnership – to enable Atlantic employers to hire qualified candidates for jobs that they had not been able to fill locally. This pilot project will help address

pressing labour market needs and demographic pressures in the region. In Newfoundland and Labrador, ACOA is partnering with the Association for New Canadians to establish a Satellite Offices Pilot Program in rural areas to promote the AIP, assist in the development of settlement plans, and offer Diversity Training Programs for SMEs across the province.

The Agency continued to support the [Community Business Development Corporation \(CBDC\)](#) network. An indicator of the CBDCs' contribution to community development is the five-year business survival rate of CBDC-assisted firms, which is notably higher than that of comparable firms that were not assisted by the CBDCs: 69% after the crucial fifth year following start-up, compared to 49% for comparable firms not assisted by the CBDCs. This represents a variance of 20 percentage points, which is well above the Agency's target of 10 percentage points.¹³

The Agency supported the vitality, growth and skills acquisition of Indigenous communities by working closely with Indigenous leadership, Atlantic provincial governments, and Indigenous and Northern Affairs Canada in support of Indigenous economic development. In 2017-18, ACOA supported 47 projects, with contributions of more than \$11 million for Indigenous economic development, contributing to the collective target of 255 Indigenous projects supported over five years by Canada's regional development agencies.

- In Newfoundland and Labrador, ACOA provided funding for the Qalipu Mi'kmaq First Nation to host Mawio'mi 2017, its annual Aboriginal business forum. This forum, which attracted 130 participants, consisted of seminars from academic and industry professionals who provided valuable learning and networking opportunities for Indigenous participants. The focus was on opportunities related to the construction of the hydroelectric transmission line, agri-food, and tourism.

The Agency continued to engage with official language minority communities and provided \$14.9 million in assistance for 53 projects throughout Atlantic Canada, including projects under the Economic Development Initiative of the [Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities](#).

- In Nova Scotia, ACOA supported "Grand Pré 2017 – A Peace and Friendship Gathering of the Mi'kmaq and Acadian People." This event, a part of the Canada 150 celebrations, marked the historic relationship of two cultures: the Mi'kmaq and the Acadians. It revisited and celebrated the relationship that began over 400 years ago – a relationship that was a critical component in the building of Canada.

¹³ Statistics Canada, Canadian Centre for Data Development and Economic Research, 2018.

Results achieved

Expected result	Performance indicator	2017 18 Annual target	Date to achieve target	2017 18 Actual result	2016 17 Actual result	2015 16 Actual result
Dynamic and sustainable communities in Atlantic Canada with increased economic and business activity	Percentage of Community Development (CD) projects that met expectations, thus contributing to the CD expected result	80%	March 31, 2018	96%	96%	96%
	Percentage points by which the business survival rate of CBDC-assisted clients exceeds that of comparable firms not assisted by CBDCs	10	March 31, 2018	20	24	24

Budgetary financial resources (dollars)

2017 18 Main Estimates	2017 18 Planned spending	2017 18 Total authorities available for use	2017 18 Actual spending (authorities used)	Difference (actual minus planned)
104,552,144	104,552,144	117,037,409	117,229,594	12,677,450

Human resources (FTEs)

2017 18 Planned	2017 18 Actual	Difference (actual minus planned)
101	94	(7)

Policy, Advocacy and Coordination

Description

The Agency's Policy, Advocacy and Coordination (PAC) program is central to identifying and effectively responding to opportunities and challenges facing the regional economy. PAC provides intelligence, analysis and well-grounded advice on a broad range of issues and topics, and it informs and supports Agency and ministerial decision making. PAC helps carry the Agency's agenda forward and ensure that ACOA overall remains relevant and responsive to the opportunities and challenges in Atlantic Canada by offering strategic, researched policy positions that reflect the region's potential, by influencing national policies and programs that affect Atlantic Canada's development and interests, and by coordinating other policies and programs within the region to form integrated approaches to development.

Results

In 2017-18, ACOA continued to play a critical role in delivering on federal priorities and reflecting the government's national priorities in Atlantic Canada. The Agency achieved this by conducting policy research and analysis, providing sound policy advice in its advocacy role and coordinating with various federal departments and the four Atlantic Provinces. All PAC activities undertaken and for which a qualitative review was conducted met their objectives, thus contributing to the Agency's related expected result.

In line with the Innovation and Skills Plan (ISP), the Agency's policy efforts have also supported the role of regional development agencies in streamlining federal innovation programs in order to better respond to challenges and opportunities facing businesses today and into the future. The Agency carried out the Investing in Regional Innovation and Development framework (IRID) by aligning and emphasizing activities under the four priorities of the framework: the Regional Innovation Ecosystems, Investment in and Scale-Up of Firms, Clean Growth, and Community Economic Development and Diversification. ACOA's policy and coordination work contributed to the success of the Atlantic Growth Strategy, which, in its second year, has continued to prove its value as a collaborative forum to align opportunities for economic growth in the region in an inclusive and sustainable way. The Agency also contributed to delivery of the IRID by increasing its pathfinding support to better serve and orient its clients toward other federal programs and services.

ACOA's policy research and analysis supported an innovative, inclusive and modern economy in Atlantic Canada by focusing on aligning the Agency's activities with broader Government of Canada priorities like high-growth firms, clean and renewable energy, international trade, advanced manufacturing and digitization, the oceans supercluster and immigration.

The Agency also conducted experiments through the Business Culture Innovation Lab, which enhanced the Agency's understanding of behaviours, attitudes and culture specific to businesses 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, responsible resource development, agri-food and innovation. ACOA also kept regional stakeholders informed of federal government actions and of opportunities relevant to the region (for example, federal clean technology policies and programs). Advocacy efforts also leveraged industrial benefits for Atlantic Canadian SMEs from defence and Canadian Coast Guard procurements, facilitating 497 meetings between Atlantic Canadian stakeholders and global aerospace and defence contractors. These meetings aimed to provide Atlantic Canadian SMEs with the opportunity to enter into and increase the presence of regional expertise in the supply chains of leading aerospace and defence contractors worldwide.

Results achieved

Expected result	Performance indicator	2017 18 Annual target	Date to achieve target	2017 18 Actual result	2016 17 Actual result	2015 16 Actual result
Policies and programs that strengthen the Atlantic economy	Percentage of Policy, Advocacy and Coordination (PAC) activities that have met their objectives, thus contributing to the PAC expected result	75%	March 31, 2018	100%	100%	100%

Budgetary financial resources (dollars)

2017 18 Main Estimates	2017 18 Planned spending	2017 18 Total authorities available for use	2017 18 Actual spending (authorities used)	Difference (actual minus planned)
10,966,274	10,966,274	14,250,412	14,295,455	3,329,181

Human resources (FTEs)

2017 18 Planned	2017 18 Actual	Difference (actual minus planned)
68	65	(3)

Information on ACOA's lower-level programs is available in the [GC InfoBase](#).

Internal Services

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Results

ACOA continued to implement organizational initiatives to strengthen and improve service and program delivery efficiency and excellence. Particular focus continued on streamlining and standardizing internal services operations and processes in priority areas. For example, the Agency:

- Reviewed its contracting process and implemented a financial management strategy to support sound forecasting practices with regard to grants and contributions.
- Continued to collaborate with other regional development agencies to improve the efficient delivery of their programs and services to Canadians. This included further development of a common software platform for the management of grants and contributions programs.
- Experimented with ways of improving and streamlining its project evaluation and approval process through its working group on program simplification. A pilot project, aiming to cut in half the evaluation turnaround time for commercial clients – from application date to decision date –, was launched in 2017-18. The results were highly successful, and steps are now underway to make the approach a permanent part of how the Agency does business.

ACOA continued to support its employees through career and leadership development by promoting opportunities for developmental assignments as well as ongoing support for employee learning and growth through the continued use of individual learning plans. The Agency also continued to promote and build a healthy, respectful and supportive workplace through the continued implementation of a mental health action plan, in line with the Federal Public Service Workplace Mental Health Strategy. The Agency reinvigorated its human resources planning and recruitment strategy by taking on a more robust approach to identifying workforce needs, along with strategies to support implementation. The Agency continued to promote the Public Service Commission's New Direction in Staffing for the core public service.

In support of accountability, evidence-based decision making and continuous improvement, ACOA maintained a strong focus on results and impact through ongoing performance measurement and evaluation of its programs and services. To support its results-focused culture, the Agency developed and implemented a new departmental results framework, in close collaboration with Innovation, Science and Economic Development Canada and other regional development agencies. As a result, ACOA realigned its resources and workflow.

ACOA ensured that its key activities remained aligned with Government of Canada priorities and its mandate, and that financial and human resources, risk management, performance measurement, and evaluation considerations were integrated into the planning and decision-making processes.

The Agency continued to implement its 2015–2018 Values and Ethics Strategy to ensure that values and ethics remain at the foundation of its corporate culture, and supported open dialogue at all levels of the organization.

ACOA continued to support the Government of Canada’s plan for an open and fair government by implementing Year 2 measures outlined in the Agency’s Open Government Implementation Plan, and by seeking employee engagement in effective information management practices.

Budgetary financial resources (dollars)

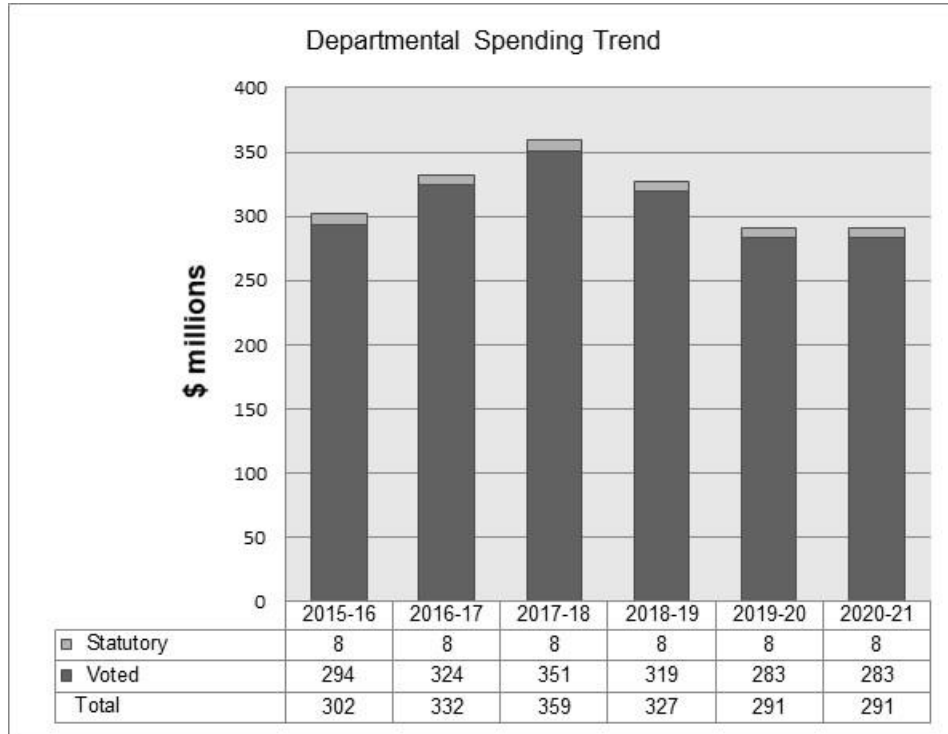
2017 18 Main Estimates	2017 18 Planned spending	2017 18 Total authorities available for use	2017 18 Actual spending (authorities used)	Difference (actual minus planned)
25,967,603	25,967,603	26,522,030	26,241,166	273,563

Human resources (FTEs)

2017 18 Planned	2017 18 Actual	Difference (actual minus planned)
199	195	(4)

Analysis of trends in spending and human resources

Actual expenditures



Actual spending: 2015-16, 2016-17; Forecast spending: 2017-18; Planned spending: 2018-19 to 2020-21.

Planned spending does not include 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 2017-18, the Agency’s spending was \$27 million higher than that of the previous year, mainly due to the following changes in authorities:

- an increase of \$24 million in top-up funding to promote and advance an innovative and knowledge-based economy in Atlantic Canada (Budget 2017);
- an increase of \$2.4 million for the spruce budworm intervention program; and
- various other adjustments due to variations that occurred in the normal course of business.

From 2018-19 to 2020-21, the decrease in planned spending against actual spending is attributable mainly to the termination of top-up funding received in Budget 2017, the sunseting of funding for the Canada 150 Infrastructure Program, and the excess amounts of collections related to the reinvestment of repayable contributions for which information was not available at the time of writing this report, as explained in the note under the above graph.

Budgetary performance summary for Programs and Internal Services (dollars)

Programs and Internal Services	2017 18 Main Estimates	2017 18 Planned Spending	2018 19 Planned Spending	2019 20 Planned Spending	2017 18 Total Authorities Available for Use	2017 18 Actual Spending (authorities used)	2016 17 Actual Spending (authorities used)	2015 16 Actual Spending (authorities used)
Enterprise Development	170,058,923	170,058,923	N/A	N/A	204,135,514	201,219,382	186,231,871	171,964,203
Community Development	104,552,144	104,552,144	N/A	N/A	117,037,409	117,229,594	106,813,633	91,402,846
Policy, Advocacy and Coordination	10,966,274	10,966,274	N/A	N/A	14,250,412	14,295,455	14,638,541	11,828,235
Subtotal	285,577,341	285,577,341	N/A	N/A	335,423,335	332,744,431	307,684,045	275,195,284
Internal Services	25,967,603	25,967,603	N/A	N/A	26,522,030	26,241,166	24,681,457	26,413,684
Total	311,544,944	311,544,944	N/A	N/A	361,945,365	358,985,597	332,365,502	301,608,968

For 2017-18, planned spending of \$311.5 million increased by \$50.4 million, resulting in total authorities available for use of \$361.9 million. This was due to the following additional authorities received during the fiscal year:

- \$24 million in top-up funding to promote and advance an innovative and knowledge-based economy in Atlantic Canada (Budget 2017);
- \$16.6 million resulting from the collection of repayable contributions;
- \$3.4 million related to compensation adjustments;
- \$3.2 million due to an operating budget carry-forward from 2016-17;
- \$3.0 million in funds transferred from the Department of National Defence in support of a project; and
- \$0.2 million transferred from various departments in support of a project with the Organisation for Economic Co-operation and Development.

From the 2017-18 total authorities of \$361.9 million, actual spending was \$359 million. This resulted in a surplus of \$2.9 million. That amount was carried forward as part of the Agency's operating budget.

Because of a change in reporting structure, the above table does not show planned spending figures for 2018-19 and 2019-20. Beginning in 2018-19, the Agency will be reporting under the structure of its new Departmental Results Framework, rather than under the Program Alignment Architecture.

Actual human resources

Human resources summary for Programs and Internal Services (FTEs)

Programs and Internal Services	2015 16 Actual	2016 17 Actual	2017 18 Planned	2017 18 Actual	2018 19 Planned	2019 20 Planned
Enterprise Development	208	218	222	217	222	222
Community Development	102	102	101	94	101	101
Policy, Advocacy and Coordination	64	67	68	65	68	68
Subtotal	374	387	391	376	391	391
Internal Services	199	195	199	195	199	199
Total	573	582	590	571	590	590

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 programs.

Expenditures by vote

For information on ACOA's organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2017-2018](#).

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 the [GC InfoBase](#).

Financial statements and financial statements highlights

Financial statements

ACOA's financial statements (unaudited) for the year ended March 31, 2018, are available on the [Agency's website](#).

Financial statements highlights

Condensed Statement of Operations (unaudited) for the Year Ended March 31, 2018 (dollars)

Financial Information	2017 18 Planned results	2017 18 Actual results	2016 17 Actual results	Difference (2017 18 actual minus 2017 18 planned)	Difference (2017 18 actual minus 2016 17 actual)
Total expenses	259,132,291	268,184,518	250,534,548	9,052,227	17,649,970
Total revenues	18,392	0	22,472	(18,392)	(22,472)
Net cost of operations before government funding and transfers	259,113,899	268,184,518	250,512,076	9,070,619	17,672,442

Total Expenses:

Total expenses were \$268.2 million in 2017-18, an increase of \$17.7 million (6.6%) compared to the previous fiscal year.

This increase was mainly due to a budgetary increase of \$24 million in top-up funding to promote and advance an innovative and knowledge-based economy in Atlantic Canada (Budget 2017) and a reduction of \$9.5 million related to 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 2017-18 fiscal year, the reduction to expenses was \$9.5 million greater than during the 2016-17 fiscal year.

Of the total expenses of \$268.2 million, \$117.3 million (43.8%) was spent in the Community Development program, while \$106.2 million (39.6%) was spent under the Enterprise Development program.

Condensed Statement of Financial Position (unaudited) as of March 31, 2018
(dollars)

Financial information	2017 18	2016 17	Difference (2017 18 minus 2016 17)
Total net liabilities	59,580,983	61,000,356	(1,419,373)
Total net financial assets	53,250,345	55,589,191	(2,338,846)
Departmental net debt	6,330,638	5,411,165	919,473
Total non-financial assets	1,552,836	1,062,216	490,620
Departmental net financial position	(4,777,802)	(4,348,949)	(428,853)

Total Net Liabilities:

Total net liabilities were \$59.6 million at the end of the 2017-18 fiscal year, representing a decrease of \$1.4 million (2.4%) from the previous fiscal year.

Total Net Financial Assets:

Total net financial assets equalled \$53.3 million at the end of the 2017-18 fiscal year, a decrease of \$2.3 million (4.4%) from the previous year. The assets consist primarily of the “Due from the Consolidated Revenue Fund” (\$53 million), which is used to discharge the Agency’s liabilities.

Total Non-financial Assets:

Total non-financial assets were \$1.6 million at the end of the 2017-18 fiscal year, an increase of \$0.5 million (31.6%) from the previous fiscal year. The increase is mainly attributable to work in progress related to the Grants and Contributions Program Management System.

Supplementary information

Corporate information

Organizational profile

Appropriate minister:

The Honourable Navdeep Bains, P.C., M.P.

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](#) for more information.

Year of incorporation/commencement:

1987

Reporting framework

ACOA's Strategic Outcome and Program Alignment Architecture of record for 2017-18 are shown below.

1. Strategic Outcome: A competitive Atlantic Canadian economy

1.1 Program: Enterprise Development

1.1.1 Sub-Program: Innovation and Commercialization

1.1.2 Sub-Program: Productivity and Growth

1.1.3 Sub-Program: International Business Development

1.2 Program: Community Development

1.2.1 Sub-Program: Community Investment

1.2.2 Sub-Program: Community-based Business Development

1.3 Program: Policy, Advocacy and Coordination

1.3.1 Sub-Program: Policy

1.3.2 Sub-Program: Advocacy

1.3.3 Sub-Program: Coordination

Internal Services

Supporting information on lower-level programs

Supporting information on lower-level programs is available on the [GC InfoBase](#).

Supplementary information

The following supplementary information is available on ACOA's website.

- [Departmental Sustainable Development Strategy](#)
- [Details on transfer payment programs of \\$5 million or more](#)
- [Evaluations](#)
- [Fees](#)
- [Internal audits](#)
- [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](#). 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.

Departmental Plan (plan ministériel)

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

Departmental Results Report (rapport sur les résultats ministériels)

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

evaluation (évaluation)

In the Government of Canada, the systematic and neutral collection and analysis of evidence to judge merit, worth or value. Evaluation informs decision-making, improvements, innovation and accountability. Evaluations typically focus on programs, policies and priorities and examine questions related to relevance, effectiveness and efficiency. Depending on user needs, however, evaluations can also examine other units, themes and issues, including alternatives to existing interventions. Evaluations generally employ social science research methods.

experimentation (expérimentation)

Activities that seek to explore, test and compare the effects and impacts of policies, interventions and approaches, to inform evidence-based decision-making, by learning what works and what does not.

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. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

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

An analytical approach used to assess how diverse groups of women, men and gender-diverse people may experience policies, programs and initiatives. The “plus” in GBA+ acknowledges that the gender-based analysis goes beyond biological (sex) and socio-cultural (gender) differences. We all have multiple identity factors that intersect to make us who we are; GBA+ considers many other identity factors, such as race, ethnicity, religion, age, and mental or physical disability. Examples of GBA+ processes include using data disaggregated by sex, gender and other intersecting identity factors in

performance analysis, and identifying any impacts of the program on diverse groups of people, with a view to adjusting these initiatives to make them more inclusive.

government-wide priorities (priorités pangouvernementales)

For the purpose of the 2017–18 Departmental Results Report, those high-level themes outlining the government’s agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada’s Strength; and Security and Opportunity.

horizontal initiative (initiative horizontale)

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

Management, Resources and Results Structure (structure de gestion, des ressources et des résultats)

A comprehensive framework that consists of an organization’s inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

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 up to the expected result.

planned spending (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the 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.

priority (priorité)

A plan or project that an organization 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 Strategic Outcome(s) or Departmental Results.

program (programme)

A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (architecture d'alignement des programmes)

A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

result (résultat)

An external 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.

Strategic Outcome (résultat stratégique)

A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (programme temporisé)

A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (cible)

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time. 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.