

Ministre des Affaires du Nord, ministre responsable de
Développement économique Canada pour les Prairies et
ministre responsable de l'Agence canadienne de
développement économique du Nord



Minister of Northern Affairs, Minister responsible for
Prairies Economic Development Canada and
Minister responsible for the Canadian Northern
Economic Development Agency

Ottawa, Canada K1A 0H4

The Honourable John Williamson
Chair
Standing Committee on Public Accounts
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Colleague,

I am pleased to provide you with a copy, in both official languages, of the Government Response to the Standing Committee on Public Accounts' (PACP) Report 17 entitled: Regional Relief and Recovery Fund (the PACP Report). The Government of Canada thanks the Standing Committee on Public Accounts for its work and recommendations, and agrees to provide the Committee with the reports as per the schedule requested.

During the COVID-19 pandemic, the Government of Canada rapidly delivered emergency programming to support Canadians' jobs and businesses. For example, the seven Regional Development Agencies (RDAs) and nearly 270 Community Futures organizations across Canada delivered over \$1.9 billion under the Regional Relief and Recovery Fund (RRRF) to more than 25,000 businesses and organizations. This helped support more than 325,000 jobs (including jobs maintained by businesses and supported by not-for-profit organizations). The RDAs continually strive to improve and incorporate best practices in program delivery.

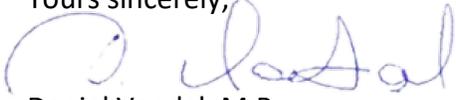
Since June, 2021, the RDAs have implemented the COVID-19 recovery initiatives announced in Budget 2021, and referenced in the PACP Report, namely the Canada Community Revitalization Fund, Tourism Relief Fund, Jobs and Growth Fund, Major Festivals and Events Support Initiative, and the Aerospace Regional Recovery Initiative, totalling \$2.2 billion. These initiatives are supporting sectors most impacted by the COVID-19 pandemic, providing support to Canadian businesses, organizations, and communities so they can recover, grow, and thrive following the pandemic. The RDAs incorporated lessons learned from the RRRF into the delivery of these COVID-19 recovery initiatives, improving the way the RDAs deliver pandemic-related programs, enhancing coordination and transparency, and promoting equity as well as improved reporting on results.

Please find enclosed a copy of the Government Response to the PACP Report on behalf of my

Canada

fellow Ministers responsible for the other RDAs.

Yours sincerely,



Daniel Vandal, M.P.

Minister of Northern Affairs, Minister Responsible for Prairie Economic Development Canada and Minister Responsible for the Canadian Northern Economic Development Agency

c.c.: Ginette Petitpas Taylor, M.P., Minister of Official Languages and Minister responsible for the Atlantic Canada Opportunities Agency
Pascale St-Onge, M.P., Minister of Sport and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec
Patty Hajdu, M.P., Minister of Indigenous Services and Minister responsible for the Federal Economic Development Agency for Northern Ontario
Filomena Tassi, M.P., Minister responsible for the Federal Economic Development Agency for Southern Ontario
Harjit S. Sajjan, M.P., Minister of International Development and Minister responsible for the Pacific Economic Development Agency of Canada
Mary Ng, M.P., Minister of International Trade, Export Promotion, Small Business and Economic Development

Enclosure: Government Response to Recommendations and Status Update

GOVERNMENT RESPONSE TO RECOMMENDATIONS AND STATUS UPDATE

1. Committee Recommendation #1

The Atlantic Canada Opportunities Agency, Canada Economic Development for Quebec Regions, the Federal Economic Development Agency for Northern Ontario, the Federal Economic Development Agency for Southern Ontario, Prairies Economic Development Canada, Pacific Economic Development Canada, and the Canadian Northern Economic Development Agency (hereafter, the Regional Development Agencies) should provide the House of Commons Standing Committee on Public Accounts with a joint progress report regarding the targets for support to under-represented groups. These targets should be set for each of the five COVID 19 recovery programs announced in Budget 2021, namely, the Canada Community Revitalization Fund, Tourism Relief Fund, Jobs and Growth Fund, Major Festivals and Events Support Initiative, and Aerospace Regional Recovery Initiative. A final joint report on whether these targets were met in 2022–2023 should also be provided.

Progress Report by December 31, 2022.

A final report should also be provided by May 31, 2023.

Government Response and Status

The following information fulfills the requirement for a progress report to PACP by December 31, 2022 as requested in the above recommendation.

The Regional Development Agencies (RDAs) applied GBA Plus analyses in the design and delivery of the Budget 2021 initiatives. As a result, targets for under-represented groups were set for three of the five initiatives, where appropriate, given each initiative's objectives and target clientele. Note that due to the lack of eligible applicants within their regions, the Aerospace Regional Recovery Initiative (ARRI) was not delivered by the Canadian Northern Economic Development Agency, and the Major Festivals and Events Support Initiative (MFESI) was not delivered by the Atlantic Canada Opportunities Agency, the Canadian Northern Economic Development Agency and the Federal Economic Development Agency for Northern Ontario.

The recovery initiatives with targets that support GBA Plus outcomes include:

- The Jobs and Growth Fund (JGF) is aiming to support 200 businesses or organizations owned by under-represented groups across the RDAs, and to commit \$140M of the \$700M allocation to under-represented groups. Additionally, the JGF has dedicated up to \$70 million to businesses created after January 2020 that meet eligibility criteria;
- The Tourism Relief Fund (TRF) is aiming to support 360 businesses or organizations owned by under-represented groups, as well as provide 10% or \$50M in funding nationally to support Indigenous tourism initiatives; and,
- The Aerospace Regional Recovery Initiative (ARRI) aims to support the overall participation of women employed in the following sectors: 11,095 female workers

working in the aerospace manufacturing industry, and 27,650 female workers in the air transportation industry by 2024, as they are currently under-represented. Progress towards these targets within ARRI will be tracked via results posted in Statistics Canada's 2024 Census.

The setting of targets for underrepresented groups was not appropriate for the Canada Community Revitalization Fund (CCRF), which supported not-for-profit organizations, municipalities, and other local organizations (e.g., Indigenous organizations) to expand or improve public spaces, foster community revitalization and increase accessibility for a wide range of users, including under-represented groups. However, recognizing the unique challenges rural and remote communities experience in providing funding to infrastructure projects compared with urban areas, CCRF targeted support for 550 rural and remote communities and committed \$250M of the total \$500M RDA budget allocation to rural and remote communities.

The Major Festivals and Events Support Initiative (MFESI) also did not set a target for under-represented groups. MFESI targets support to large-scale events (e.g., the Calgary Stampede) with annual pre-pandemic revenues in excess of \$10 million, to ensure their continued operations, to adapt their activities to new pandemic realities, and to better position them for the future. As such, MFESI did not lend itself to specific targets for under-represented groups.

Given this, RDAs will provide a report to PACP by May 31, 2023, detailing whether established targets were met for the Budget 2021 COVID-19 recovery initiatives for JGF, TRF, and CCRF in 2022-23 as requested. Since the ARRI results will be confirmed via the 2024 national census, a subsequent report on this initiative alone could be provided in 2025 once the census data becomes available.

2. Committee Recommendation #2

The Regional Development Agencies should provide the Committee with a joint report regarding the progress made toward improved coordination, fairness and transparency in delivering the five COVID 19 recovery programs announced in Budget 2021, namely, the Canada Community Revitalization Fund, Tourism Relief Fund, Jobs and Growth Fund, Major Festivals and Events Support Initiative, and Aerospace Regional Recovery Initiative.

A final report should be made by May 31, 2023.

Government Response and Status

As requested, the RDAs will provide a final report to PACP by May 31, 2023, outlining progress in improved coordination, fairness and transparency in delivering the Budget 2021 COVID-19 recovery initiatives.

The RDAs continually strive to meet diverse, place-based regional needs while also strengthening coordination in delivering these initiatives. For the Budget 2021 recovery

initiatives, the RDAs adopted common program parameters and eligibility criteria, to ensure fairness and consistency in approach (e.g., a continuous intake of applications under the Jobs and Growth Fund), while maintaining regional flexibility to consider regional realities. RDAs established implementation teams for each of the initiatives for improved coordination, used similar public messaging and web content for consistency and transparency, and shared best practices.

3. Committee Recommendation #3

The Regional Development Agencies should provide the Committee with a joint report regarding the steps taken to ensure that program results reporting is harmonized and accurate, while taking care to adequately reflect the distinct needs and realities of the regions where they operate.

A final report should be made by May 31, 2023.

Government Response and Status

As requested, the RDAs will provide a final report by May 31, 2023, on efforts to ensure that programs results reporting is harmonized and accurate for the Budget 2021 initiatives while being responsive to the needs and realities of regions where they operate.

The RDAs recognize the importance of a harmonized approach to program results to ensure accurate reporting. The RDAs built on the lessons learned from the RRRF, and as part of their ongoing efforts for continuous improvement, took steps to enhance the accuracy of performance indicators and data gathered for the five COVID-19 economic recovery initiatives under Budget 2021. The RDAs established a working group to enhance standardization of data collection and reporting on the initiatives' results, including for under-represented groups. The initiatives' results are updated through a harmonized reporting template.

4. Committee Recommendation #4

The Regional Development Agencies should provide the Committee with a joint report with the following information: 1) the number of files from recipients who were deemed ineligible or who had amounts that were deemed ineligible after the fact; 2) the amounts repaid for this reason; and 3) the measures taken to encourage repayment. Reports on the default rate for repayable loans should also be provided.

A report should be made by May 31, 2023.

Reports on default rates should be made at the following intervals:

30 June 2024

31 December 2024

30 June 2025

31 December 2025

Government Response and Status

The RDAs will provide the joint report requested by PACP by May 31, 2023.

On May 6, 2022, the RDAs provided PACP with an initial joint report on RRRF repayments, defaults and ineligible expenses.

Reports on default rates will also be provided to PACP at the intervals indicated in the recommendation.