



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Canada

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*Appearance before the House of Commons Standing Committee on Public Accounts
March 1, 2022*

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Tab 1



Atlantic Canada
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OPENING REMARKS

Francis McGuire
President
Atlantic Canada Opportunities Agency

**Appearance before
House of Commons Standing Committee on Public
Accounts**

As part of the committee's study of Report 12, Protecting Canada's Food System, and specifically how the Agency designed and delivered the Canadian Seafood Stabilization Fund (CSSF) in Atlantic Canada.

Tuesday March 1, 2022
11:00 a.m. to 1:00 p.m.

Virtual appearance
Ottawa, Ontario

BILINGUAL version

Reading time: 6 minutes / ~687 words

Mr. Chairman, Committee members, good morning. Thank you for the invitation to appear today.

I would like to respectfully acknowledge that I am joining you today from the traditional territories of the Mi'gmaq (MEEG-mah), Wolastoqiyik (Wool-as-ta-gwey) and Peskotomuhkatiyik (Bes-Ga-do-muh-ga-di).

I am here today to speak about the delivery of the Canadian Seafood Stabilization Fund by my department, the Atlantic Canada Opportunities Agency.

ACOA is the federal department charged with fueling Atlantic Canada's economic growth. It works with business and community leaders to build a strong and inclusive economy.

ACOA's regular suite of programs, along with time limited COVID-19 relief and recovery measures such as the Canadian Seafood Stabilization Fund, are helping businesses in Atlantic Canada deal with the impacts of the pandemic while still supporting them to grow, be more competitive and innovative.

Comme vous le savez peut-être déjà, l'industrie canadienne de la transformation du poisson et des fruits de mer fait partie intégrante de notre sécurité alimentaire collective et de notre économie nationale. Ce secteur a été confronté à une pression financière accrue et à une forte instabilité du marché au cours de la pandémie.

L'introduction en avril 2020 du Fonds canadien pour la stabilisation des produits de la mer, avec un portefeuille de 62,5 millions de dollars, a fourni une aide urgente aux entreprises du secteur de notre pays afin qu'elles puissent composer avec la perte sans précédent de marchés pour leurs produits, assurer leur stabilité, continuer à payer leurs employés et enfin se rétablir et prospérer.

Mis en œuvre par l'intermédiaire d'agences de développement régional comme l'APECA, le Fonds a permis de combler les écarts de financement créés par la pandémie, en tenant principalement compte des réalités et besoins régionaux de cette importante industrie.

Le Fonds a contribué à des investissements visant à améliorer la santé et la sécurité des employés, ainsi que l'efficacité des opérations commerciales.

Specifically, funding was provided to fish and seafood processors in Atlantic Canada to:

- Increase freezer, cold storage and live storage capacities, to deal with excess inventory;
- Implement necessary health and safety measures for workers;
- Adopt new advanced manufacturing and automation technologies;
- Adapt to changing consumer demands; and
- Ensure viable transportation options to ship their products to new markets.

ACOA was mandated to deliver the Canadian Seafood Stabilization Fund in Atlantic Canada on behalf of the Department of Fisheries and Oceans because of our nimbleness, proximity to businesses and ability to deliver quickly.

Through ACOA, the Fund supported 132 projects with 97 fish and seafood processing clients in the Atlantic, for total investments of \$42.7 million. An estimated 10,800 jobs were safeguarded as a result of this funding.

Please allow me to give you a few examples of companies that benefited from CSSF support:

In Nova Scotia, **L.J. Robicheau and Son Fisheries** used a \$750,000 contribution to purchase new equipment to launch a new product line. This investment is protecting 160 full-time.

*Au Nouveau-Brunswick, **McGraw Seafood** a reçu 435 750 dollars pour couvrir les dépenses supplémentaires liées à la santé et à la sécurité occasionnées par la COVID-19, y compris l'équipement de protection individuelle (EPI), une sécurité accrue, du personnel de nettoyage et de production supplémentaire, ainsi que la distanciation physique et l'assainissement. L'investissement du fonds, jumelé à un investissement plus important pour la modernisation de l'usine, a permis à McGraw d'augmenter sa marge de profit et de préserver 95 emplois.*

In Prince Edward Island, **Atlantic Aqua Farms** used the \$1 million from the Fund to expand its wet storage facility, enabling the company to transition from a seasonal to a year-round operation and thereby increase its sales. This investment is safeguarding 150 jobs.

In Newfoundland and Labrador, **Allen's Fisheries** received \$1.15 million under the Fund to increase its capacity to hold live seafood. This investment is helping the company procure more live product and protect 200 jobs.

The Canadian Seafood Stabilization Fund was an important tool to help the fish and seafood processing sector in our region adapt to the challenges of COVID-19, keep people employed and seize opportunities to pivot and grow.

Thank you for your time and I would be pleased to take your questions.

Tab 2



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BACKGROUND

February 17, 2022

Standing Committee on Public Accounts

Invitation

On February 14, 2022, the House of Commons Standing Committee on Public Accounts invited the Atlantic Canada Opportunities Agency (ACOA) to appear before the Committee via video conference on Tuesday, March 1, 2022, from 11:00 am to 1:00 pm (Eastern) in view of its study of Report 12, Protecting Canada's Food System.

ACOA is therefore asked to appear before the Committee, along with DEC and PacifiCan officials, to respond to the audit finding of the Office of the Auditor General as it relates to the delivery of the **Canadian Seafood Stabilization Fund (CSSF)**.

Committee Membership

Chair



Tom Kmiec

Political Affiliation: Conservative

Constituency: [Calgary Shepard](#)

Province / Territory: Alberta

Vice-Chairs



Jean Yip

Political Affiliation: Liberal

Constituency: [Scarborough—Agincourt](#)

Province / Territory: Ontario



Nathalie Sinclair-Desgagné

Political Affiliation: Bloc Québécois

Constituency: [Terrebonne](#)

Province / Territory: Quebec

Members



Valerie Bradford

Political Affiliation:

Liberal

Constituency:

Kitchener
South—
Hespeler

Province / Territory:

Ontario



Richard Bragdon

Political Affiliation:

Conservative

Constituency:

Tobique—
Mactaquac

Province / Territory:

New
Brunswick



Michael Cooper

Political Affiliation:

Conservative

Constituency:

St. Albert—
Edmonton

Province / Territory:

Alberta



Blake Desjarlais

Political Affiliation:

NDP

Constituency:

Edmonton
Griesbach

Province / Territory:

Alberta

			
Han Dong	Peter Fragiskatos	Philip Lawrence	Brenda Shanahan
Political Affiliation:	Political Affiliation:	Political Affiliation:	Political Affiliation:
Liberal	Liberal	Conservative	Liberal
Constituency:	Constituency:	Constituency:	Constituency:
<u>Don Valley North</u>	<u>London North Centre</u>	<u>Northumberland— Peterborough South</u>	<u>Châteauguay— Lacolle</u>
Province / Territory:	Province / Territory:	Province / Territory:	Province / Territory:
Ontario	Ontario	Ontario	Quebec

Committee Mandate

The House of Commons' Standing Committee on Public Accounts has a mandate to, among other matters:

- review of and report on the Public Accounts of Canada and all reports of the Auditor General of Canada, which shall be severally deemed permanently referred to the Committee immediately after they are laid upon the table [...]

The Committee also has the general mandate given to all committees, the power to study and report on all matters relating to the mandate, management and operation of the government department(s) that are assigned to them. In the case of the Committee, the department is the Office of the Auditor General of Canada.

Additionally, the Committee may enquire into any other matter that the House of Commons may refer to it.

The Public Accounts Committee is Parliament's standing audit committee, and it reviews the work of the federal government's external auditor, the Auditor General of Canada.

When the Speaker tables a report by the Auditor General in the House of Commons, it is automatically referred to the Public Accounts Committee. The Committee selects the chapters of the report it wants to study and calls the Auditor General and senior public servants from the audited organizations to appear before it to respond to the Office of the Auditor General's findings. The Committee also reviews the federal government's consolidated financial statements – the Public Accounts of Canada – and examines financial and/or accounting shortcomings raised by the Auditor General. At the conclusion of a study, the Committee may present a report to the House of Commons that includes recommendations to the government for improvements in administrative and financial practices and controls of federal departments and agencies.

Government policy, and the extent to which policy objectives are achieved, are generally not examined by the Public Accounts Committee. Instead, the Committee focuses on government administration – the economy and efficiency of program delivery as well as the adherence to government policies, directives and standards. The Committee seeks to hold the government to account for effective public administration and due regard for public funds.

Preparation and approvals:

Prepared by: Richard Gauthier, Principal Advisor, Communications, 613-404-1329

Sector contact: Kevin Dubé, DG Communications, 613-617-1741

Sector approval: Daryell Nowlan, Vice-President Programs, Policy and Communications, 506-851-3805

Tab 3

ACOA – Canadian Seafood Stabilization Fund

ISSUE: How did ACOA support fish and seafood processors in dealing with impacts from the COVID-19 pandemic?

RESPONSE (100 words)

- **The COVID-19 pandemic has been challenging for many sectors in Canada. Fish and seafood processors are key to our economy and the strength of our food system.**
- **The Canada Seafood Stabilization Fund (CSSF) provided \$62.5 million across Canada to support fish and seafood processors adapt to the challenges of the COVID-19 pandemic, such as market instability, compliance with new safety guidelines, and dealing with inventory.**
- **ACOA delivered \$42.7 million of the CSSF in the Atlantic region. Funding was provided to 132 projects with 97 fish and seafood processing clients across the region.**
- **This CSSF funding helped safeguard over 10,800 jobs.**

SUPPLEMENTARY RESPONSE

- **ACOA has supported businesses across the region during the pandemic to help pivot their operations.**
- **Examples of Canadian Seafood Stabilization Fund (CSSF) projects that ACOA supported:**
 - **Prince Edward Island – Atlantic Aqua Farms Ltd. received \$1 million to support the company's expansion of a wet storage facility in rural PEI. This will allow the company to properly store oysters inside during the winter months and extend its shipping season to 12 months a year.**
 - **New Brunswick – Shediac Lobster Shop received \$565,310 to help the company purchase equipment and materials, and enable site modifications to its lobster processing facility to meet COVID-19 health and safety requirements and respect physical distancing needs of employees.**
 - **Nova Scotia – Clark's Harbour Seafood Limited received \$500,000 to construct a new building and install equipment to cook and process lobster. This project will enhance Clark's Harbour Seafood Limited's productivity by installing a small processing line for cooking lower-grade lobster unfit for live export.**

- **Newfoundland** – Clearwater Seafoods Limited received \$1.8 million to support their business efforts to mitigate COVID-19 impacts, enhance quality and improve yields. The project will see technology acquisitions on three of its processing vessels.

BACKGROUND

On April 25, 2020, the Government of Canada announced a national investment of \$62.5 million to support the Canadian fish and seafood industry as it dealt with the economic impacts of the COVID-19 pandemic.

The Canadian Seafood Stabilization Fund (CSSF) addressed funding gaps created by the pandemic in the fish and seafood processing industry, taking into account regional needs and realities of the fish and seafood processing industry across Canada.

The CSSF was delivered by three regional development agencies (the former Western Economic Diversification Canada (now PacifiCan), Canada Economic Development for Quebec Regions, and Atlantic Canada Opportunities Agency), on behalf of Fisheries and Oceans Canada (DFO).

The CSSF helped fish and seafood processing clients increase storage to deal with excess inventory; ensure the health and safety of workers and of the local food supply; adopt advanced manufacturing technologies; and adapt to changing requirements and consumer demands.

Eligible applicants for CSSF were businesses in the fish and seafood processing sector and non-profit organizations that support the sector.

The application period closed on March 31, 2021 and ACOA's CSSF allocation of \$42.7 million has been fully committed.

PREPARATION AND APPROVALS

Prepared by: Andrea Boyle, Strategic Advisor, Programs (506) 961-8096

Sector contact: H el ene Robichaud, Director General Programs, (506) 850-3641

Sector approval: Daryell Nowlan, Vice-President Policy, Programs and Communications, 506-851-3805

Tab 4

ACOA – Office of the Auditor General’s Performance Audit on Protecting Canada’s Food System

ISSUE: What were the findings specific to ACOA’s delivery of the Canadian Seafood Stabilization Fund (CSSF) as outlined in a December 2021 performance audit by the Auditor General of Canada?

RESPONSE (104 words)

- **The Canadian Seafood Stabilization Fund (CSSF) was designed to support fish and seafood processors experiencing significant financial challenges caused by the various impacts of the COVID-19 pandemic.**
- **This \$62.5 million fund was delivered by three of Canada’s regional development agencies (RDAs): ACOA, Canada Economic Development for Quebec Regions, and the former Western Economic Diversification Canada (now PacifiCan).**
- **The December 2021 Auditor General of Canada audit report on Protecting Canada’s Food System, included a review of the CSSF.**
- **The audit found that the three RDAs met the objectives in the delivery of the CSSF in their respective regions. No recommendations were specifically identified for RDAs.**

SUPPLEMENTARY RESPONSE

- **Overall, the December 2021 audit found that these emergency programs and measures helped mitigate some of the impacts of the COVID-19 pandemic on elements of Canada’s food system.**
- **The audit outlined that departments and agencies drew on existing programs and mechanisms to expedite the delivery of the new emergency food programs, with appropriate oversight controls in place.**
- **One of the main findings of the OAG audit was that responsible departments and agencies met the objectives of the Canadian Seafood Stabilization Fund (CSSF).**

- **While there were some references in the audit related to inconsistencies and measurement for the CSSF, it should be noted that COVID-19 relief and recovery measures are both temporary and time-sensitive. As such, while lessons can be learned in the design and delivery of similar measures, these should be considered in the context of the urgent and unprecedented challenges brought about by the pandemic.**
- **As there were no recommendations specifically identified for the RDAs in the audit report, no action plan has been developed.**

BACKGROUND

On April 25, 2020, the Government of Canada announced a national investment of \$62.5 million to support the Canadian fish and seafood industry as it dealt with the economic impacts of the COVID-19 pandemic.

The Canadian Seafood Stabilization Fund (CSSF) addressed funding gaps created by the pandemic in the fish and seafood processing industry, considering regional needs and realities of the fish and seafood processing industry across Canada.

The CSSF was delivered by three regional development agencies (the former Western Economic Diversification Canada (now PacifiCan), Canada Economic Development for Quebec Regions, and Atlantic Canada Opportunities Agency), on behalf of the Department of Fisheries and Oceans Canada (DFO).

The CSSF was designed to help clients increase storage to deal with excess inventory; ensure the health and safety of workers and of the local food supply; adopt advanced manufacturing technologies; and adapt to changing requirements and consumer demands.

ACOA's \$42.7 million share of the CSSF has been fully committed to 132 projects with 97 fish and seafood processing clients across the Atlantic region.

ACOA continues to invest in projects that promote sustainable local economic development, enhance business development and growth, and facilitate innovation through its regular suite of programs.

PREPARATION AND APPROVALS

Prepared by: Andrea Boyle, Strategic Advisor, Programs (506) 961-8096

Sector contact: Hélène Robichaud, Director General Programs, (506) 850-3641

Sector approval: Daryell Nowlan, Vice-President Policy, Programs and Communications, 506-851-3805

Tab 5



BACKGROUND

Last revised: February 24, 2022

Canadian Seafood Stabilization Fund (CSSF)

Key Messages:

- Fish and seafood processors are key to our economy and the strength of our food system.
- The Canadian Seafood Stabilization Fund (CSSF) has helped fish and seafood processors adapt to the challenges of the pandemic, such as market instability, compliance with new safety guidelines, adopting advanced manufacturing technologies, and dealing with excess inventory.
- A total of \$42.7 million has now been fully allocated by ACOA in Atlantic Canada, helping 97 fish and seafood processing clients across the region.
- This CSSF funding helped safeguard over 10,800 jobs.

Background:

On April 25, 2020, the Government of Canada announced a national investment of \$62.5 million to support the Canadian fish and seafood industry as it dealt with the economic impacts of the COVID-19 pandemic. The Canadian Seafood Stabilization Fund (CSSF) has helped to address funding gaps created by the pandemic in the fish and seafood processing industry, taking into account regional needs and realities of the industry across Canada.

The CSSF was delivered by three regional development agencies — the former Western Economic Diversification Canada (now PacifiCan), Canada Economic Development for Quebec Regions, and Atlantic Canada Opportunities Agency —, on behalf of Fisheries and Oceans Canada.

The CSSF has helped fish and seafood processors increase storage to deal with excess inventory; ensure the health and safety of workers and of the local food supply; adopt advanced manufacturing technologies; and adapt to changing requirements and consumer demands. Eligible applicants for this Fund were businesses in the fish and seafood processing sector and non-profit organizations that support the sector.

The application period is now closed in Atlantic Canada and ACOA's CSSF allocation of \$42.7 million has been fully allocated to 97 fish and seafood processing clients (132 projects) across the region.

Preparation and approvals:

Prepared by: Andrea Boyle, Strategic Advisor, Programs (506) 961-8096

Sector contact: H  l  ne Robichaud, Director General, Programs, (506) 850-3641

Sector approval: Daryell Nowlan, Vice President, Policy, Programs and Communications, (506) 851-3805



BACKGROUND

Last revised: February 24, 2022

Canadian Seafood Stabilization Fund (CSSF) – business examples

Nova Scotia

Clark's Harbour Seafood Limited, in Clark's Harbour, Cape Sable Island, N.S., has been in operation since 1961. The company received \$500,000 under the Canadian Seafood Stabilization Fund (CSSF) to construct a new building and install equipment to cook and process smaller-sized lobsters. This project improves the company's productivity by installing a small processing line for cooking lower-grade lobster unfit for live export. This new product line will reduce waste and create a new revenue stream.

- **Jobs safeguarded (from CSSF investment)** – 15 full-time jobs.

Victoria Co-operative Fisheries Limited, based in Neil's Harbour, Cape Breton Island, N.S., is the largest employer in the area, purchasing fresh-caught seafood from over 140 local fishers since 1956. The company received \$450,000 under the Canadian Seafood Stabilization Fund (CSSF) to acquire and install state-of-the-art ice-making equipment in a new purpose-built structure. The capacity to produce 20 tons of CFIA-approved contaminant-free ice each day means the company is able to process and store raw materials safely. During the past fishing season, the company reported increased efficiencies, and anticipates much more in the seasons ahead.

- **Jobs safeguarded (from CSSF investment)** – 150 seasonal jobs.
- ACOA has provided a total of \$1.18 million for eight projects with Victoria Co-op.

L.J. Robicheau & Son Fisheries Limited, based in Middleton, N.S., has operated a value-added seafood processing facility in Digby County since 1960, and now boasts a new facility in Middleton. The company received \$750,000 under the Canadian Seafood Stabilization Fund (CSSF) to install new portioning equipment to create uniformly-sized haddock filets for their new breeding line. The company previously shipped frozen filets to overseas customers who portioned, breaded, and resold their filets. The new breaded fillets product line is expected to boost supermarket sales significantly.

- **Jobs safeguarded (from CSSF investment)** – 160 full-time jobs.
- ACOA has provided a total of \$1.75 million for three projects with L.J. Robicheau.

Newfoundland and Labrador

Northern Lights Seafood Inc., based in Main Brook, NL, received \$950,000 under the Canadian Seafood Stabilization Fund (CSSF) to acquire new cold storage capacity for its plant in Main Brook, near St. Anthony, NL. Improvements were needed in response to changing market demands resulting from the COVID-19 pandemic. All of the necessary equipment has been purchased and delivered and the client anticipates full plant production when the typical season starts in July 2022.

- Total ACOA investments (including CSSF) – \$1,457,500
- **Jobs safeguarded (from CSSF investment)** – It is anticipated that the plant will operate at full scale production in 2022 and get back to former employment level in excess of 40 people.

Allen's Fisheries, based in Benoit's Cove, NL received \$1,149,711 under the Canadian Seafood Stabilization Fund (CSSF) to improve their ability to hold live seafood including mussels, lobster and crab. The new building includes a super-chill saltwater line which uses deep ocean cold water to maintain a quality product.

- Total ACOA investments (including CSSF) – \$2,270,361
- **Jobs safeguarded (from CSSF investment)** – Additional hours of operations will support the workforce and contribute to longer-term stability for Allen's Fisheries, which currently employs 200 people.
- The new building houses a continuous flow live-holding pond of 1.5 degrees Celsius, "crystal-clear" seawater. Annually, the new pond is able to hold approximately 400,000 lbs of live product (lobster, snow crab or mussels), with an average turnover of 2-3 weeks.
- The live-holding capacity provides more stability as the company can now procure more live product and handle the intake from other suppliers and locations.
- The company now has increased flexibility in production scheduling with respect to lobster, crab, and mussels.

The Labrador Fisherman's Union Shrimp Company Limited received \$1,150,000 under the Canadian Seafood Stabilization Fund (CSSF) to adopt new processing technology and purchase related equipment at facilities in Mary's Harbour and Black Tickle. The investment will result in local fishers being able to harvest their cod quota and the company being able to pivot and expand their sale of salt fish in new markets as the global economy continues to adjust to the ongoing pandemic.

- Total ACOA investments (including CSSF) – \$5,092,868
- **Jobs safeguarded (from CSSF investment)** – 40 jobs at the company's Mary's Harbour facility; 14 jobs at the port of Black Tickle.
- The processing equipment purchased under this CSSF project enabled the company to equip the new saltfish plant in Mary's Harbour with state-of-the-art processing equipment. The company can now process quality saltfish and obtain better yields that are necessary for the commercial operation of the plant. This new equipment resulted in the safeguarding of 40 jobs at the Mary's Harbour plant.
- The CSSF funding also enabled the company to purchase a new ice making machine at the port of Black Tickle. Fishermen can now easily access the ice they need as they depart Black Tickle, which greatly improves the quality of fish landed.

The machine enabled the company to continue to operate Black Tickle as a buying station and is employing 14 people at the facility.

New Brunswick

Cooke Aquaculture Inc./True North Salmon Limited Partnership, headquartered in Blacks Harbour, N.B.

The company received \$3.6 million under the Canadian Seafood Stabilization Fund (CSSF), of which \$2.6 million is repayable. The funding has helped the company expand and increase its processing lines and shipping and receiving areas to comply with COVID-19 requirements related to employee health and safety. The company also made investments in value added processing technology as well as increased cold storage capacity to best respond to changing markets related to increased retail demand and significant declines in restaurant demand.

- Total ACOA investments – \$35,065,636 (over a 30 year period)
- **Jobs safeguarded (from CSSF investment)** – Cooke Aquaculture has had no jobs losses since the beginning of the pandemic. Cooke provides 2,200 full time jobs in Atlantic Canada; 1,552 of those jobs are in New Brunswick.
- Cooke Aquaculture Inc./True North Salmon Limited Partnership is the largest fully integrated, independent seafood company in the world. Family owned and managed, the company grew from a single farm to a global aquaculture company with farming operations in all four Atlantic Provinces, the U.S., Chile, Spain, Scotland, Argentina and Uruguay.

Link to news release – [Government of Canada investment helping the fish and seafood sector in southern New Brunswick remain strong - Canada.ca](#)

Shediac Lobster Shop, in Shediac, N.B.

The company received \$565,310 under the Canadian Seafood Stabilization Fund (CSSF) to help purchase equipment and materials, and enable site modifications to its lobster processing facility to meet COVID-19 health and safety requirements and respect physical distancing needs of employees.

This project allowed the company to ensure that their facility was ready for challenges related to the pandemic by creating extra space, changing processes, increasing capacity and increasing its workforce to enable them to return to normal production levels.

- Total ACOA investments – \$1,086,617
- **Jobs safeguarded (from CSSF investment)** – 230 full-time jobs and 30 part-time jobs
- Link to news release – [Government of Canada investment helping the fish and seafood sector in southern New Brunswick remain strong - Canada.ca](#)

McGraw Seafoods Inc., in Tracadie, N.B.

The company received \$435,750 under the Canadian Seafood Stabilization Fund (CSSF) to provide support for additional expenses associated with COVID-19 challenges including personal protective equipment (PPE), increased security, additional cleaning and production personnel, temporary modifications for entry to help with disinfection, physical distancing and sanitation.

The CSSF investment enabled McGraw to implement all the necessary health and safety protocols required to continue processing during the pandemic. Equipment such as work stations and conveyor systems were modified and extended to ensure social distancing during processing, allowing McGraw to have sufficient staff required to meet their production quotas. *Redacted.*

- Total ACOA investments – \$5,422,629
- **Jobs safeguarded (from CSSF investment)** – 95 jobs
- Link to news release – [Government of Canada supports fish and seafood sector in northeastern New Brunswick - Canada.ca](#)

Prince Edward Island

PEI Mussel King Inc., based in Morell, PEI

President Esther Dockendorff is the driving force behind PEI Mussel King, a mussel farming and processing company in Morell. With the industry facing reduced restaurant sales resulting from COVID-19 restrictions, PEI Mussel King needed to cook and freeze an increased volume of mussels in order to safeguard inventory for future sales. PEI Mussel King has also worked hard to adapt their operations to keep staff safe and healthy in their production facilities by implementing enhanced health and safety protocols and purchasing protective equipment. ACOA has invested a total of \$517,297 through the Regional Economic Growth through Innovation (REGI) program and the Canadian Seafood Stabilization Fund (CSSF) to sustain operations and implement increased health and safety measures.

- Total ACOA investments – \$4,121,945
- **Jobs safeguarded (from CSSF investment)** – 45 jobs
- Link to news release (CSSF portion only) – [Government of Canada investment helping the fish and seafood sector in Eastern Prince Edward Island remain strong](#)

Atlantic Aqua Farms Ltd., in Orwell, PEI

The company received \$1 million through the Canadian Seafood Stabilization Fund (CSSF) to expand their wet storage facility in PEI. This investment has enabled the company to shift to year-round operations, while also increasing productivity by eliminating the risk and uncertainty of harvesting over sea ice in the winter months. The majority of producers suspend operations during the winter months, and this investment has enabled Atlantic Aqua Farms to increase sales during a period where demand tends to outstrip supply.

- Total ACOA investments in company – \$1,148,545
- **Jobs safeguarded (from CSSF investment)** – 150 jobs.
- Link to news release – [Government of Canada investment helping the fish and seafood sector in Central Prince Edward Island remain strong](#)

South Shore Seafoods Ltd., in Bloomfield, PEI

The company received \$1,108,246 through the Canadian Seafood Stabilization Fund (CSSF) to purchase and upgrade equipment that has increased plant productivity and processing capacity for both fresh and frozen lobster bound for Canadian, U.S. and international markets. The company has also worked hard to adapt their operations to keep staff safe and healthy in their production facilities by implementing enhanced health and safety protocols and purchasing protective equipment.

- Total ACOA investments – \$1,837,560

- **Jobs safeguarded (from CSSF investment)** – 150 jobs
- Link to news release – [Government of Canada investment helping the fish and seafood sector in Western Prince Edward Island remain strong](#)

Background:

- **Canadian Seafood Stabilization Fund (CSSF)** – On April 25, 2020, the Government of Canada announced a national investment of \$62.5 million to support the Canadian fish and seafood industry as it dealt with the economic impacts of the COVID-19 pandemic.

The CSSF is being delivered by three regional development agencies – Atlantic Canada Opportunities Agency, Canada Economic Development for Quebec Regions, and the former Western Economic Diversification Canada (now PacifiCan) –, on behalf of Fisheries and Oceans Canada. Eligible applicants for this Fund are businesses in the fish and seafood processing sector and non-profit organizations that support the sector.

The Canadian Seafood Stabilization Fund (CSSF) has helped applicants increase storage to deal with excess inventory; ensure the health and safety of workers and of the local food supply; adopt advanced manufacturing technologies; and adapt to changing requirements and consumer demand.

As of March 31, 2021, ACOA no longer accepted applications under CSSF. ACOA's allocation of \$42.7 million has been fully allocated to 97 fish and seafood processing clients (132 projects) across the region.

- **Regional Relief and Recovery Fund (RRRF)** – a \$2 billion liquidity assistance lifeline fund for businesses affected by the COVID-19 pandemic that were rejected by or were unable to access other federal pandemic support programs, or that continued to have liquidity needs. *ACOA is no longer accepting applications under RRRF.*

Office of the Auditor General – Performance Audit on Protecting Canada’s Food System related to the Canadian Seafood Stabilization Fund (CSSF)

Talking Points

Last revised: February 24, 2022

Context

On December 9, 2021, the Office of the Auditor General of Canada (OAG) tabled the Performance Audit on Protecting Canada’s Food System. The audit focused on Canada’s food supply during the COVID-19 pandemic and covered the Canadian Seafood Stabilization Fund (CSSF), which ACOA delivered in Atlantic Canada on behalf of DFO. The audit found that responsible departments and agencies drew on existing programs and mechanisms to expedite the delivery of the new emergency food programs, with appropriate oversight controls in place. There were no recommendations identified for the regional development agencies. The Minister of Agriculture and Agri-Food led the response on behalf of the Government of Canada.

Talking Points

Overarching – Audit results

- During the COVID-19 pandemic, the Government of Canada adapted its responses in real time to help businesses, communities and workers get through very challenging periods. The lessons learned from those responses will help the government improve the programs and services departments and agencies deliver to Canadians.
- The Auditor General recognized that the participating departments, including the Atlantic Canada Opportunities Agency, were successful in meeting the objectives of the Canadian Seafood Stabilization Fund (CSSF).

ACOA – Role of regional development agencies in the delivery of COVID-19 measures

- ACOA’s mission is to fuel economic development in Atlantic Canada. The Agency works to build a strong, resilient economy that is innovative, diverse and inclusive. Therefore, our programs are designed and delivered in a way that respond to the specific needs of Atlantic Canadian entrepreneurs.
- In the delivery of the CSSF, ACOA had the mandate to deliver targeted and responsive support that met the needs of Atlantic Canadian fish and seafood processors in order to maintain a growing, resilient and diversified economy.
- ACOA’s efforts ensured that Atlantic Canadian fish and seafood processors received the timely support they needed to get them through hard times during the pandemic.

- Each RDA was similarly focused on ensuring that their respective efforts resulted in the right type and level of support to fish and seafood processors in their region.
- Adapting the delivery of the CSSF to address the real needs on the ground in each region of Canada was critical to the Government of Canada's approach to provide help where it was most needed and to create jobs and spur economic growth.

CSSF – Atlantic Canada results

- Canada's seafood sector is an essential part of our collective food security and our national economy. In the early days of the pandemic, this sector was facing increased financial strain and market instability.
- The pandemic presented unprecedented challenges and the need for urgent responses. The CSSF was a temporary and time-sensitive measure targeted to businesses in the fish and seafood processing sector and the not-for-profit organizations that support the sector.
- The \$62.5 million national Fund helped seafood processing businesses by supporting investments to improve the health and safety of employees, as well as the efficiency of their operations.
- Given the situation and the timing of the Fund's launch, it was important to get funding to eligible seafood processing businesses in Atlantic Canada as quickly as possible.
- In Atlantic Canada, \$42.7 million was allocated and delivered to fish and seafood processors. ACOA supported a total of 132 projects with 97 fish and seafood processing clients throughout the region, which helped safeguard over 10,800 jobs.
- The CSSF helped Atlantic fish and seafood processors maintain their operations, pay their employees, and position themselves for recovery.

Background

On December 9, 2021, the Office of the Auditor General of Canada (OAG) tabled the Performance Audit on Protecting Canada's Food System. The audit focused on whether federal organizations protected Canada's food supply during the COVID-19 pandemic by "effectively designing, delivering and managing programming". This audit included the Canadian Seafood Stabilization Fund (CSSF).

The Minister of Agriculture and Agri-Food, Marie-Claude Bibeau, the Minister of Fisheries, Oceans and the Canadian Coast Guard, Joyce Murray, and the Minister of Northern Affairs, Daniel Vandal, issued a [statement](#) in response to the Auditor General's report on Protecting Canada's Food System.

The \$62.5 million Canadian Seafood Stabilization Fund (CSSF) was launched on April 25, 2020. The Department of Fisheries and Oceans (DFO) was the lead department for the CSSF, which was delivered by ACOA, the former Western Economic Diversification Canada (now PacifiCan), and Canada Economic Development for Québec Regions (CED).

The audit provided no recommendations for the regional development agencies (RDAs).

The tabling of the CSSF audit did not generate much interest from media as it was non-controversial. As such, the Agency maintains a reactive position because the audit findings for the CSSF are positive and the audit provides no recommendation.

Preparation and approvals

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Canadian Seafood Stabilization Fund

Q & As

Last revised: February 28, 2022

GENERAL QUESTIONS

- 1) What is the Canada Seafood Stabilization Fund (CSSF)?
- 2) What did the CSSF support?
- 3) Who delivered the funding?

OAG AUDIT FINDINGS

- 4) What were the main findings of the OAG audit as it relates to ACOA?
- 5) How will ACOA respond to recommendations outlined in the OAG audit?
- 6) Were there differences in how the CSSF was delivered in each region of Canada?

ACOA CSSF RESULTS

- 7) What were the results of the CSSF in Atlantic Canada?
- 8) Of the \$42.7 million allocated by ACOA to the 132 CSSF projects, how much of that funding is repayable and how much is non-repayable?
- 9) For those projects that are repayable, what is the timeline for expected repayments?
- 10) Is there a firm deadline by which CSSF funding is expected to be repaid, similar to the CEBA?
- 11) What portion of ACOA's CSSF funding was delivered to small vs. large businesses?
- 12) How many Indigenous businesses received CSSF funding in Atlantic Canada?

FUNDING

- 13) How much money was allocated to this new initiative?
- 14) How much money could fish and seafood processors expect to receive under the CSSF?
- 15) What was the CSSF allocation per region?
- 16) How were allocations per region determined?

ELIGIBILITY

- 17) Who was eligible for CSSF funding?
- 18) Were Indigenous-owned businesses eligible for CSSF funding?
- 19) Were the eligibility criteria the same in all regions covered by the CSSF?
- 20) Were the aquaculture and inland water fisheries industries eligible for support under the CSSF?

- 21) Why were fish and seafood processors in Ontario and Northern Canada not included in the CSSF?
- 22) How could fish and seafood processors in Ontario or Northern Canada receive support?

APPLICATION, ASSESSMENT AND PAYMENTS

- 23) How could businesses and organizations apply for the CSSF?
- 24) When did the window for applications open and when did it close?
- 25) How and when were applications for the CSSF assessed?
- 26) Once applications were approved when could recipients expect to receive payment?

OTHER COVID MEASURES DELIVERED THROUGH ACOA

- 27) Which COVID-19 relief measures were delivered by ACOA?
- 28) What are other measures currently being delivered by ACOA in support of pandemic recovery?
- 29) What portion of ACOA's RRRF funding was delivered to small vs. large businesses?
- 30) What is the breakdown for the other COVID-recovery initiatives currently being delivered by ACOA?

GENERAL QUESTIONS

Q1. What was the Canada Seafood Stabilization Fund (CSSF)?

A1. The CSSF was a special, time-limited relief fund established by the Government of Canada to support Canadian fish and seafood processing and packaging businesses economically impacted by the COVID-19 pandemic.

Q2. What did the CSSF support?

A2. The CSSF provided direct support to seafood processing businesses and organizations that support the fish and seafood industry, which helped to:

- Increase storage capacity to more effectively deal with inventory issues;
- Cover new equipment costs to address new worker health and safety measures, such as reusable protective equipment while also improving the quality of their products and increasing their productivity; and
- Develop products required to respond to new markets and find viable transportation solutions.

Q3. Who delivered the funding?

A3. The Fund was administered by three of Canada's Regional Development Agencies (RDAs):

- The Atlantic Canada Opportunities Agency (ACOA) delivered the CSSF in the four Atlantic provinces;
- The Canada Economic Development for the Québec Regions (CED) delivered the Fund in the province of Québec; and
- The former Western Economic Diversification Canada (WD) now PacifiCan delivered the CSSF in Western Canada.

OAG AUDIT FINDINGS

Q4. What were the main findings of the OAG audit of the CSSF as it relates to ACOA?

A4. The main finding of the OAG audit was that responsible departments and agencies met the objectives of the Canada Seafood Stabilization Fund (CSSF). The audit also indicates that the CSSF helped to mitigate effects of COVID-19 on Canada's food system.

ACOA had the mandate to deliver targeted and responsive support that met the needs of Atlantic Canadian fish and seafood processors in order to help mitigate various impacts related to COVID-19 in Atlantic Canada.

ACOA drew on existing programs and mechanisms to expedite the creation and delivery of the CSSF in support of the new emergency food program.

Q5. How will ACOA respond to recommendations outlined in the OAG audit of the CSSF?

A5. It should be noted that none of the OAG audit main recommendations were directed to the RDAs.

While there were some references in the report that relate to inconsistencies and measurement, it should be noted that COVID-19 relief and recovery measures are both temporary and time-sensitive. As such, while lessons can be learned in the design and delivery of similar measures, these should be considered in the context of the urgent and unprecedented challenges brought about by the pandemic.

One of the OAG audit recommendations was directed to the Department of Fisheries and Oceans (DFO), and therefore I would defer to DFO officials who are best positioned to respond.

Q6. Were there differences in how the CSSF was delivered in each region of Canada?

A6. RDA programs must be assessed against the degree to which they respond to region-specific needs and priorities, rather than strictly through a lens of program consistency. As you are likely aware, RDAs are increasingly called upon to support horizontal, pan-Canadian policy issues. Such whole-of-government approaches are needed to tackle major national issues, such as COVID-19 relief and recovery.

In the case of national COVID-19 relief and recovery measures, RDAs were able to assess the unique needs of businesses and communities to best support program design and delivery in their respective regions.

The pandemic presented unprecedented challenges and the need for urgent responses. As such, the CSSF was a temporary and time-sensitive measure targeted to businesses in the fish and seafood processing sector and the not-for-profit organizations that support the sector. Each RDA (ACOA, CED-Q and the former WD now PacifiCan) was similarly focused on ensuring that their respective efforts resulted in the right type and level of support to fish and seafood processors in their region.

It is also important to note that COVID-19 measures are distinct from regular RDA programming in that they were and are temporary and time-sensitive. As such, while lessons can be learned from the design and delivery of such measures, these should be considered in the context of the urgent and unprecedented challenges brought about by the COVID-19 pandemic.

ACOA CSSF RESULTS

Q7. What were the results of the CSSF in Atlantic Canada?

A7. The \$62.5 million national Fund helped fish and seafood processing businesses by supporting investments to improve the health and safety of employees, as well as the efficiency of their operations.

Given the situation and the timing of the Fund's launch, it was important to get funding to eligible fish and seafood processing businesses in Atlantic Canada as quickly as possible. As you might be aware, processing begins in early Spring and the CSSF was launched on June 22, 2020.

The importance of using existing mechanism was therefore critical to ensuring a timely delivery of much needed funding.

In Atlantic Canada, \$42.7 million was allocated to 132 projects with 97 fish and seafood processing clients across the region. This CSSF funding helped safeguard over 10,800 jobs. The Fund has helped processors in Atlantic Canada maintain their operations, pay their employees, and position themselves for recovery.

All of these projects are on track, are ongoing and are now subject to ACOA's usual project monitoring mechanisms.

The extraordinary circumstances and prolongation of the pandemic is also factor to consider when looking at results. Many of the COVID-19 recovery measures were established with an expectation that the pandemic would be eradicated within a few months in 2020. The Auditor General's audit began while the delivery of the CSSF was in progress.

Q8. Of the \$42.7 million allocated by ACOA to the 132 CSSF projects, how much of that funding is repayable and how much is non-repayable?

A8. Approximately 70% is repayable or conditionally repayable, and approximately 30% is non-repayable.

Q9. For those projects that are repayable, what is the timeline for expected repayments?

A9. The timeline for repayment depends on a number of factors, including the nature of the project and the period in which the recipient will begin to generate revenues. Repayment terms and conditions are determined in accordance with a fixed schedule that takes into account the seasonal nature of the client's activities as well as percentage of gross sales. There is a provision in the agreement with each client for the full repayment by a given deadline.

Q10. Is there a firm deadline by which CSSF funding is expected to be repaid, similar to the CEBA?

A10. While there is no firm deadline for CSSF repayments, such repayments normally begin within 2 to 3 years after the completion of the project.

Q11. What portion of ACOA's CSSF funding was delivered to small vs. large businesses?

A11. Of the 132 approved CSSF projects funded by ACOA, 85 percent went to micro- and small-sized businesses:

- 13 projects were with micro-sized businesses (4 percent of CSSF funding)
- 67 projects with small-sized businesses (38 percent of CSSF funding)
- 45 projects with medium-sized businesses (43 percent of CSSF funding)
- 7 projects with large-sized businesses (15 percent of CSSF funding)

(Business size: micro is 4 employees or less; small is 5-99 employees; medium is 100-499 employees; and large is 500+ employees)

If pressed:

The CSSF had specific criteria for eligible activities, and businesses in the fish and seafood processing sector tend to have larger workforces.

- *An example of a large business that ACOA supported under CSSF is **Cooke Aquaculture** in N.B., with a project to install additional cold storage and another to modify processing lines to enhance employee health and safety due to COVID-19. (ACOA assistance up to \$3.6 million)*
- *Another example of a large business that ACOA supported under CSSF is **Clearwater Seafoods Limited Partnership** in N.S., to upgrade their live lobster holding system and acquire automated processing equipment. (ACOA assistance up to \$2 million)*

Q12. How many Indigenous businesses received CSSF funding in Atlantic Canada?

A12. A total of five (5) Indigenous businesses, who self-identified, received funding under CSSF.

Examples include:

- **WFN Fish Farm Limited Partnership** in Nova Scotia received \$850,000 to enable the company to acquire flash freeze capacity and packing equipment in order to diversify its markets.
- ACOA supported several projects with the **Labrador Fishermen's Union Shrimp Company Limited**. The company received \$2.3 million to acquire new fish processing technology, implement COVID-19 health and safety measures at its processing facilities, and enhance cold storage capacity to mitigate against the impacts related to changing market demands due to pandemic restrictions.

FUNDING

Q13. How much money was allocated to this initiative?

A13. The Government of Canada invested up to \$62.5 million under the CSSF. Funds were allocated to eligible projects based on demand.

Q14. How much money could fish and seafood processors expect to receive under the CSSF?

A14. The amount of money recipients could receive under the CSSF depended on individual circumstances. Businesses in Atlantic Canada, Quebec and Western Canada were invited to contact the Regional Development Agency in their region to discuss their specific situation and needs.

Q15. What was the CSSF allocation per region?

A15. The \$62.5 million was initially allocated as follows:

- Atlantic provinces: \$38.1 million (67.7%)
- Québec: \$9.1 million (16.2%)
- Western Canada: \$9.0 million (16.0%)

Initially, the Department of Fisheries and Oceans retained \$6.2 million to respond to emerging industry pressures, but DFO later allocated those funds to the RDAs to address surging demand. Of that amount, ACOA was allocated \$4.6 million while WED (now PacifiCan) received \$1.6 million.

The final allocation was as follows:

- Atlantic Canada: \$42.7 (68.3%)
- Québec: \$9.1 (14.6%)
- Western Canada: \$10.7 (17.1%)

Q16. How was allocation per region determined?

A16. The funding allocations were determined based on the GDP of Canada's fish and seafood processing sector in each region (*using 2018 Statistics Canada data for "seafood product preparation and packaging"*).

ELIGIBILITY

Q17. Who was eligible for CSSF funding?

A17. Eligible applicants needed to meet the following eligibility criteria:

- Be a business located in Atlantic Canada, Quebec or Western Canada;
- Be a federally or provincially licensed or registered processor of wild capture or aquaculture products;
- Were a viable business before the COVID-19 pandemic and plan to continue to operate their business or resume operations; and
- Could demonstrate that their business currently met health and safety requirements as per the [Quarantine Act](#).

OR

- Be a not-for-profit organization that supports the fish and seafood aquaculture processing industry in Atlantic Canada, Quebec or Western Canada.

Q18. Were Indigenous-owned businesses eligible for CSSF funding?

A18. Any federally or provincially licensed or registered Indigenous-owned fish and seafood processing business (including any that processes aquaculture products) located in Atlantic Canada, Quebec, or Western Canada and that met the other eligibility criteria were able to apply for assistance.

Q19. Were the eligibility criteria the same in all regions covered by the CSSF?

A19. The criteria to receive funding under the CSSF were the same in Atlantic Canada, the provinces of Québec and Western Canada. Businesses in the fish and seafood processing sector and not-for-profit organizations that support the industry could reach out to their RDA for more details on the CSSF and whether it was right for them.

Q20. Were the aquaculture and inland water fisheries industries eligible for support under the CSSF?

A20. Businesses that process wild capture and aquaculture products could apply for support from the CSSF. Members of the aquaculture and inland water fisheries sector were eligible for funding under the parameters of the CSSF if they were a processing business or an organization that supports the industry in their region.

Q21. Why were fish and seafood processors in Ontario and Northern Canada not included in the CSSF?

A21. The Canadian Seafood Stabilization Fund was established to support the particular adaptation needs of processors in the regions served by the Atlantic Canada Opportunities Agency, Canada Economic Development for Quebec Regions, and Western Economic Development Canada (now PacifiCan). Processors in other regions could be eligible for support under the Regional Relief and Recovery Fund delivered through the Community Futures Development Corporation or RDA in their region (subject to regional eligibility criteria and funding priorities), or other government programs.

Q22. How could fish and seafood processors in Ontario or Northern Canada get support?

A22. Fish and seafood processors in the regions not covered by the CSSF could still be eligible for support under other Government of Canada COVID-19 relief measures. Businesses and organizations were encouraged to contact their RDA to discuss their needs.

APPLICATION, ASSESSMENT AND PAYMENTS

Q23. How could businesses and organizations apply for the CSSF?

- A23. Businesses and organizations in eligible regions could contact their Regional Development Agency for more information on how to apply to the CSSF:
- The Atlantic Canada Opportunities Agency (ACOA) delivered the CSSF in the four Atlantic provinces;
 - The Canada Economic Development for the Québec Regions (CED) delivered the Fund in the province of Québec; and
 - The former Western Economic Diversification Canada (WD) now PacifiCan delivered the CSSF in Western Canada.

Q24. When did the window for applications open and when did it close?

- A24. The Atlantic Canada Opportunities Agency, Canada Economic Development for the Québec Regions and Western Economic Diversification Canada accepted applications as of June 22, 2020. ACOA stopped accepting applications as of March 31, 2021.

Each RDA established deadlines for applications according to their regional context. Eligible businesses and organizations were encouraged to contact their RDA for more information and to apply without delay.

Q25. How and when were applications for the CSSF assessed?

- A25. All applications for funding were assessed by departmental officials in the RDA that received them according to the parameters of the CSSF. Eligible businesses and organizations were encouraged to contact their RDA for specific details on the assessment process and timeline.

Q26. Once their application was approved when could recipients expect to receive payment?

- A26. Eligible businesses and organizations were encouraged to contact their RDA for details on payment timeline.

OTHER COVID MEASURES DELIVERED THROUGH ACOA

Q27. Which COVID-19 relief measures were delivered by ACOA?

A27. Initial COVID-19 relief measures delivered by ACOA included;

- the Regional Relief and Recovery Fund (RRRF - \$252 million), in partnership with the Atlantic Association of Community Business Development Corporations;
- the Canadian Seafood Stabilization Fund (CSSF - \$42.7 million); and
- the Regional Air Transportation Initiative (RATI - \$41.2 million).

The RRRF was a liquidity assistance lifeline for businesses, serving as a backstop for businesses that were unable to access other federal pandemic support programs, or that continued to have liquidity needs.

Other federal support programs (*not delivered by ACOA*) included, for example:

- Canada Emergency Business Account (CEBA)
- Canada Emergency Wage Subsidy (CEWS)
- Canada Emergency Rent Subsidy (CERS)
- Highly Affected Sectors Credit Availability Program (HASCAP)

Q28. What are other measures currently being delivered by ACOA in support of pandemic recovery?

A28. Budget 2021 announced additional COVID-19 recovery measures to help businesses and communities adapt and grow following the pandemic. ACOA is currently delivering:

- the Jobs and Growth Fund (JGF - \$70 million);
- the Canada Community Revitalization Fund (CCRF - \$59.8 million);
- the Tourism Relief Fund (TRF - \$48.5 million), and;
- the Aerospace Regional Recovery Initiative (ARRI - \$12.5 million).

Q29. What portion of ACOA's RRRF funding was delivered to small vs. large businesses?

A29. Of the \$156 million in RRRF funding delivered directly by ACOA, more than 90 percent went to micro- and small-sized businesses, while less than one (1) percent went to large businesses.

If pressed

- *Approximately \$21 million of ACOA RRRF assistance supported micro-sized businesses (with 4 employees or less), and \$121 million supported small businesses (5-99 employees). This accounts for more than 90 percent of ACOA's allocation.*
- *Medium-sized businesses (100-499 employees) received a total of \$13 million in ACOA RRRF support (8 percent).*
- *Two large clients (with 500+ employees) received a combined total of \$343,000 in ACOA RRRF assistance (which represents less than one (1) percent). These two clients were Acadia University (\$39,000) and Membertou Reserve Band Council (\$304,000), both located in Nova Scotia.*

Q30. What is the breakdown for the other COVID-recovery measures currently being delivered by ACOA?

A30. To date, we are seeing a similar overall trend with RRRF and our Budget 2021 initiatives (ARRI, CCRF, JGF, TRF) with respect to the size of the businesses being supported by ACOA.

More than 90 percent of approved projects under the Budget 2021 COVID recovery measures currently being delivered through ACOA are with micro or small-sized organizations.

Preparation and approvals

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Sector expert: Jennifer Cormier, Director, Operations, Head Office, 902-430-3347

Sector approval: H el ene Robichaud, Director General, Programs and Executive engagement, Head Office, 506-851-6496

News Releases – Canadian Seafood Stabilization Fund (CSSF)

February 24, 2022

On June 17, 2020, ACOA issued a news release announcing that the Canadian Seafood Stabilization Fund (CSSF) would begin receiving applications as of June 22, 2020, across Atlantic Canada. The news release indicated that ACOA would be delivering a total of \$38.1 million in Atlantic Canada from Fisheries and Oceans Canada.

NOTE: In subsequent months, ACOA's allocation was increased to \$42.7 million as funds that had been originally allocated to the Department of Fisheries and Oceans (\$6.2 million) were re-allocated to ACOA (\$4.6 million) and WED (now PacifiCan) (\$1.6 million) to respond to surging demand in Atlantic and Western Canada.

The final allocation of the \$62.5 million CSSF was, as follows:

- Atlantic provinces: \$42.7 million
- Québec: \$9.1 million
- Western Canada: \$10.7 million

[COVID-19: Canadian Seafood Stabilization Fund opens on June 22, 2020, across Atlantic Canada - Moncton, New Brunswick, June 17, 2020](#)

[COVID-19 : Les demandes acceptées pour le Fonds canadien pour la stabilisation des produits de la mer dès le 22 juin 2020 dans la région du Canada Atlantique - Moncton \(Nouveau-Brunswick\), 17 juin 2020](#)

Regional announcements

New Brunswick

June 25, 2021 – investments of \$5,634,209 in 13 initiatives in northeastern New Brunswick

[Government of Canada supports fish and seafood sector in northeastern New Brunswick - Canada.ca](#)

March 26, 2021 – investments of \$1,454,544 in four initiatives in Escuminac area of New Brunswick

[Government of Canada investment helping the fish and seafood sector in Escuminac area remain strong - Canada.ca](#)

Newfoundland and Labrador

June 8, 2021 – investments of \$1,235,577 in two (2) initiatives in Newfoundland and Labrador

[Government of Canada investment helping the fish and seafood sector in Newfoundland and Labrador remain strong - Canada.ca](#)

June 7, 2021 – investments of \$1,743,832 in four (4) initiatives in Labrador

[Government of Canada investment helping the fish and seafood sector in Labrador remain strong - Canada.ca](#)

June 3, 2021 – investments of \$314,214 in four (4) initiatives in Central Newfoundland

[Government of Canada investment helping the fish and seafood sector in Central Newfoundland remain strong - Canada.ca](#)

June 1, 2021 – investments of \$1,008,462 for six (6) initiatives Avalon Peninsula of Newfoundland

[Government of Canada investment helping the fish and seafood sector on the Avalon Peninsula remain strong - Canada.ca](#)

May 20, 2021 – investments of \$2,688,934 in 11 initiatives in Eastern and Southern regions of Newfoundland and Labrador

[Government of Canada investment helping the fish and seafood sector in Newfoundland and Labrador's Eastern and Southern regions remain strong - Canada.ca](#)

May 13, 2021 – investments of \$2,724,696 for six (6) initiatives in Western Newfoundland and the Great Northern Peninsula

[Government of Canada investment helping the fish and seafood sector in Western Newfoundland and Great Northern Peninsula remain strong - Canada.ca](#)

Prince Edward Island

May 27, 2021 – investments of \$1,761,290 in seven (7) initiatives in Central Prince Edward Island

[Government of Canada investment helping the fish and seafood sector in Central Prince Edward Island remain strong - Canada.ca](#)

May 19, 2021 – investments of up to \$3,461,798 in 12 initiatives in Western Prince Edward Island

[Government of Canada investment helping the fish and seafood sector in Western Prince Edward Island remain strong - Canada.ca](#)

May 14, 2021 – investments of up to \$386,746 for six (6) initiatives in Eastern Prince Edward Island

[Government of Canada investment helping the fish and seafood sector in Eastern Prince Edward Island remain strong - Canada.ca](#)

April 15, 2021 – investments of \$207,960 for two (2) initiatives in Prince Edward Island

[Government of Canada investment in two initiatives helping the fish and seafood sector in Prince Edward Island remain strong - Canada.ca](#)

Nova Scotia

March 29, 2021 – investments of \$1 million to two companies in North Sydney and Neils Harbour, Nova Scotia

[Government of Canada investment helping the fish and seafood sector in two Cape Breton communities remain strong - Canada.ca](#)

March 25, 2021 – investments of \$292,214 to two (2) companies in Dartmouth, Nova Scotia

[Government of Canada investment helping the fish and seafood sector in Dartmouth remain strong - Canada.ca](#)

March 24, 2021 – investments of \$2,056,250 to two (2) companies in Bedford, Nova Scotia

[Government of Canada investment helping Bedford's fish and seafood sector weather pandemic challenges - Canada.ca](#)

March 17, 2021 – investments of \$4,850,984 in 12 projects for 11 companies in Western Nova Scotia

[Government of Canada investment helping the fish and seafood sector in Western Nova Scotia remain strong - Canada.ca](#)

Tab 6

ACOA – COVID Support Update

QUESTION: What is ACOA doing to support Atlantic Canadian businesses during the COVID-19 pandemic?

KEY MESSAGES (151 words)

- **The Government of Canada has Canadians’ backs and is making investments to create jobs and grow an economy that works for everyone.**
- **Through the Regional Relief and Recovery Fund (RRRF), ACOA has delivered nearly \$252 million in liquidity support to Atlantic Canadian small businesses, including \$95.1 million through Community Futures organizations across the region.**
- **Additional pandemic recovery measures being delivered through ACOA include:**
 - **\$42.7 million under the Canadian Seafood Stabilization Fund (CSSF).**
 - **\$70 million under the Jobs and Growth Fund (JGF).**
 - **\$59.8 million under the Canada Community Revitalization Fund (CCRF).**
 - **\$48.5 million under the Tourism Relief Fund (TRF).**
 - **\$12.5 million under the Aerospace Regional Recovery Initiative (ARRI).**
 - **\$1.15 million under the Women Entrepreneurship Strategy (WES).**
 - **The Atlantic portion (\$41.2 million) of the Regional Air Transportation Initiative (RATI).**
 - **The Atlantic portion (\$7.4 million) of the Black Entrepreneurship Program (BEP) Ecosystem Fund to support the growth of Black entrepreneurship.**

SUPPLEMENTARY MESSAGES

- Our government is building on the work of ACOA to accelerate the growth of Atlantic Canada's economy, create well-paying middle-class jobs, strengthen local communities and grow innovative businesses in the region.
 - RRRF:
 - \$156.4 million has been allocated to 553 ACOA business clients (569 projects).
 - \$95.1 million has been allocated to 2,108 business clients and projects through the Atlantic network of Community Business Development Corporations (CBDCs).
 - CSSF: \$42.7 million fund has been fully allocated to 97 fish and seafood processing clients (132 projects approved)
 - J&G: 189 applications received, \$39.6 million approved for 95 projects
 - CCRF: 901 applications received, \$23.5 million approved for 307 projects
 - TRF: 328 applications received, \$12.8 million approved for 117 projects
 - ARRI: \$1.9 million approved to support 2 projects
 - WES: \$1.15 million allocated to 31 projects
 - RATI: 14 applications received, \$40 million approved for 13 projects
 - BEP: \$5.3 million approved to support 2 projects
- ACOA has supported businesses across the region during the pandemic to pivot their operations. Here are a few examples:

Prince Edward Island

- CCRF
 - L'Exposition agricole et le Festival acadien de la région Évangéline inc. received \$325,000 from the Canada Community Revitalization Fund (CCRF) to carry out infrastructure upgrades such as metal fencing, accessible washrooms and entrances with plans to complete work for the exposition and festival in September 2022.
- CSSF
 - Atlantic Aqua Farms Ltd. received \$1 million through the Canadian Seafood Stabilization Fund (CSSF) to support the company's expansion of a wet storage facility in rural PEI. This will allow the company to properly store oysters inside during the winter months and extend its shipping season to 12 months a year.

New Brunswick

- RRRF
 - Fredericton-based TechImpact received \$3.1 million (non-repayable) under the Regional Relief and Recovery Fund. TechImpact will use the funds to launch Digital Boost 2.0 and help businesses accelerate the adoption of digital technologies to remain resilient and competitive. The project also includes the creation of the Collab Hub, a digital place to promote New Brunswick technology providers and foster collaboration within and beyond the local information technology (IT) sector.

- **CSSF**
 - **Shediac Lobster Shop received \$565,310 under the Canadian Seafood Stabilization Fund. This non-repayable contribution will help the company purchase equipment and materials, and enable site modifications to its lobster processing facility to meet COVID-19 health and safety requirements and respect physical distancing needs of employees.**

Newfoundland and Labrador

- **RATI**
 - **The St. John's international Airport Authority (SJIAA) received \$11.8 million from the Regional Air Transportation Initiative (RATI). This non-repayable contribution will enable the SJIAA to maintain operations and essential services and continue collaborating with various carriers to re-establish routes to the region, while at the same time maintaining 72 jobs.**
- **TRF**
 - **The Gros Morne Inn Inc. received a repayable investment of \$450,000 through the TRF to enhance the quality of an existing tourism accommodations facility. The enhancements will be made to the building exterior, bedrooms, bathrooms, theatre/conference room, and other main rooms, including new furnishings, with the goal to improve the overall quality of the facility and enhance the atmosphere of a boutique inn.**

Nova Scotia

- **RATI**
 - **\$2,700,000 – Sydney Airport Authority – Significant uncertainty exists for the Sydney Airport Authority as a result of COVID-19. This project will assist with operational requirements for a 12-month period.**
- **CSSF**
 - **\$500,000 – Clark's Harbour Seafood Limited – Construct a new building and install equipment to cook and process lobster. This project will enhance Clark's Harbour Seafood Limited's productivity by installing a small processing line for cooking lower-grade lobster unfit for live export.**

BACKGROUND

- Of the nearly \$252 million allocated to Atlantic Canada through the **Regional Relief and Recovery Fund (RRRF)**, ACOA received \$156.4 million to support Atlantic Canadian companies and business support organizations that could not access existing federal programs or that continued to experience difficulties after accessing other support measures. The application period for RRRF is now closed in Atlantic Canada.
 - ACOA received 879 RRRF applications requesting over \$230 million in funding through Stream 1.
 - The expenditures for RRRF Stream 1 by province were: \$49.4 million in Nova Scotia, \$46.9 million in Newfoundland and Labrador, \$34.3 million in New Brunswick and \$16.7 million in Prince Edward Island.
 - As of January 31, 2021, ACOA had committed \$74.4 million to the **tourism sector** – approximately 30% of the nearly \$252 million overall RRRF funding allocated to the Atlantic region.

- Launched in July 2021, the **Tourism Relief Fund** supports tourism businesses and organizations to adapt their operations to meet public health requirements, while investing in products and services to facilitate their future growth. ACOA has been allocated \$48.5 million through the TRF, 10% of which is targeted to Indigenous projects.
- ACOA has also supported organizations across Atlantic Canada to provide urban **Main Street loan programs**:
 - Metro Business Opportunities (MBO) in Mount Pearl, NL, received approval for over \$5.7 million to deliver the Main Street Recovery Fund (MSRF);
 - CBDC Central PEI received approval for \$3.4 million to establish an Urban Main Street Loan Initiative to assist businesses in the Greater Charlottetown Area;
 - The New Brunswick Association of Community Business Development Corporations received approval for \$5.8 million to administer the urban Main Street Loan Initiative in the greater Fredericton, Saint John and Moncton areas; and
 - The Centre for Entrepreneurship Education & Development Incorporated (CEED) in Halifax, NS, received approval for \$3.1 million to set up and administer the Urban Main Street Loan Initiative for businesses in the Halifax Regional Municipality.
- The Government of Canada launched the **Regional Air Transport Initiative (RATI)**, worth \$206 million over two years, and delivered by Canada's Regional Development Agencies. This initiative helped Canada's regional air travel network remain operational through these difficult times, provided support for critical airport and related ecosystem operations, business development and innovation, as well as customer experience enhancements to further the economic growth of regions as they adapt to the post-COVID reality and new requirements.
- The **Black Entrepreneurship Program (BEP)**, an investment of up to \$265 million over four years, will improve Black Entrepreneurs' access to ecosystem supports at the national and regional levels, increase their access to loan capital, and will improve and enhance access to data on Black entrepreneurship in Canada. The BEP will do this through:
 - An Ecosystem Fund designed and delivered by the Regional Development Agencies (RDAs);
 - A Black Entrepreneurship Knowledge Hub delivered by Innovation, Science and Economic Development Canada (ISED); and
 - A Loan Fund for Black entrepreneurs delivered by ISED with the support of financial institutions.
- By December 31, 2020, ACOA had deferred more than \$50 million in repayments for 1,800 projects with 1,200 clients.

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Tab 7

ACOA Programming Update and Key Sectors

QUESTION: What are the current statuses of ACOA regular programs?

KEY MESSAGES (90 words)

- **In addition to providing temporary COVID-19 measures, ACOA continues to deliver its regular programming.**
- **In fact, ACOA contributes more than \$230 million annually to the Atlantic Canadian economy through its regular program funding sources.**
- **ACOA implemented flexibilities in its program guidelines and tools to meet the needs of businesses and communities in the context of the pandemic.**
- **Over the last decade (2011-2021), ACOA approved an annual average of 1,078 projects through its regular programming. These projects further benefitted an average of 840 businesses located in 288 communities across Atlantic Canada.**

SUPPLEMENTARY MESSAGES

- **From April 1, 2021 to January 31, 2022, ACOA:**
 - **Supported 509 projects totalling over \$106 million through the Regional Economic Growth through Innovation (REGI) program and Business Development Program (BDP).**
 - **Supported 83 projects totalling \$23.4 million through the Innovative Communities Fund (ICF).**
 - **Supported three projects totalling \$1.3 million through the Community Futures (CF) program.**
- **From April 2016 to March 2021, ACOA:**
 - **Supported an average of 957 projects each year totalling over \$211.5 million through the Regional Economic Growth through Innovation (REGI) program and Business Development Program (BDP).**
 - **Approved an average of 120 Innovative Communities Fund (ICF) projects with a total annual investment exceeding \$36.7 million.**
 - **Contributed \$12.6 million annually across an average of 20 projects through the Community Futures (CF) program.**

- Since November 2015, for each dollar invested by ACOA, other sources of funding are investing \$1.40.

BACKGROUND

- The leveraged data is obtained from the Agency's administrative database (QAccess).
- All data related to ACOA-assisted firms and firms not assisted by ACOA is the latest available from Statistics Canada.
- ACOA's sectors of focus include: ocean, food, immigration, tourism, Indigenous economic development, start-up ecosystem, clean growth and advanced manufacturing. The Agency has adapted its approach to these sectors as a result of the COVID pandemic with specific emphasis on digitization, workforce of the future, green economy and inclusion.
- While the pandemic has had significant impacts in key sectors of Atlantic Canada, companies are capitalizing on new realities to digitize, automate, diversify and attract new talent, and ACOA is there to help them achieve this with support from its regular programs.

ACOA regular programs include:

- **Regional Economic Growth through Innovation (REGI)** – supports innovation-related projects to help scale-up and increase productivity of innovative businesses, and to develop regional ecosystems.
- **Business Development Program (BDP)** – helps businesses start up, expand, modernize and improve their competitiveness. Focuses on regional priority sectors and non-innovation related projects.
- **Atlantic Innovation Fund (AIF)** – encourages partnerships among private sector firms, universities, colleges and other research institutions to develop and commercialize products and services.
- **Innovative Communities Fund (ICF)** – invests in strategic economic and sector development planning and infrastructure projects that stimulate the vitality of mainly rural communities in Atlantic Canada.
- **Community Futures (CF) program** – helps a network of 39 Community Business Development Corporations (CBDCs) that provide access to capital and businesses services for SMEs and fills the gap in available financing and training for businesses in Atlantic Canadian rural areas.

Business survival rate

- The business survival rate of ACOA-assisted firms (after the crucial fifth year following start-up) was significantly higher than the survival rate of firms not assisted by ACOA by 36 percentage points (69% rate for ACOA-assisted firms; 33% rate for firms not assisted by ACOA), according to data released by Statistics Canada in 2020.
- In 2019 (pre-pandemic), Atlantic Canada's real GDP growth surpassed the national average (2.7% for Atlantic Canada vs. 1.9% for Canada)

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Tab 8

ACOA – Results

ISSUE: What sort of impact are ACOA's investments having in Atlantic Canada?

RESPONSE (98 words)

- **In 2021-22, the Atlantic Canada Opportunities Agency plans to invest \$463.5 million in businesses and communities to help grow a resilient, thriving and inclusive economy for Atlantic Canadians.**
- **Over the past decade (2011-2021), ACOA approved an annual average of 1,248 projects, with an average contribution of \$233,279.**
- **This resulted in supporting almost 1,000 businesses in over 300 communities across Atlantic Canada each year.**
- **ACOA's assistance has considerable impact. For example, from 2013 to 2018, sales by ACOA-assisted firms grew by an average of 4.4 per cent each year, compared to only 1.0 per cent for comparable, unassisted firms.**

SUPPLEMENTARY RESPONSE

- **ACOA's investments are fuelling growth in Atlantic Canada's economy by helping businesses grow through innovation, helping to create well-paying middle-class jobs and strengthening communities.**
- **The Agency is helping to build an inclusive Atlantic economy by targeting support towards Indigenous economic priorities and under-represented workers.**

BACKGROUND

Focused on a place-based approach to investing in Atlantic Canada's economy, ACOA advocates for the strengths of the region.

ACOA's key areas of focus include advanced manufacturing; immigration; tourism; Indigenous economic development; oceans; food; clean growth; and the start-up ecosystem.

To guide its investments, ACOA applies the following lenses: improving the quality of jobs; increasing productivity and digitalization for greater competitiveness; fostering more diverse workforce participation to address labour shortages; and leveraging green technologies for economic growth.

With 30 service points across Atlantic Canada, ACOA provides on-the-ground expertise and works closely with small and medium-sized enterprises, communities, provincial and municipal governments and a wide range of stakeholders and partners.

To help local economies thrive, ACOA provides repayable and provisionally repayable contributions to businesses and non-repayable contributions to community and not-for-profit organizations.

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