

# Management Response and Action Plan - Evaluation of the Canada Small Business Financing Program

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The findings and recommendations for the Evaluation of the Canada Small Business Financing Program were provided to the Small Business, Tourism and Marketplace Services Sector at ISED. Management has been consulted and agrees with the findings included in this report and will take action to address all applicable recommendations by June 30, 2025.

Recommendation	Planned Action on the Recommendation	Responsible Official	Target Completion
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ISED's Small Business, Tourism and Marketplace Services Sector should focus on developing approaches to increase awareness and knowledge of the CSBFP among SMEs.	<p><b>Small Business, Tourism and Marketplace Services Position:</b></p> <p>The Small Business, Tourism and Marketplace Services Sector agrees with the recommendation.</p> <p>While awareness and knowledge of the CSBFP has traditionally been high with lenders (97%), the program recognizes that the level among SMEs has traditionally been low, despite outreach efforts. Since 2018-19, several initiatives were implemented to promote awareness and knowledge of the CSBFP with SMEs, including: paid advertising and marketing campaigns; a social media campaign and inclusion in ISED's social media channels; interactive webinar sessions to key intermediaries and business support organisations (BSOs), lenders and other government departments; participation in select trade shows; requests to stakeholders to link to the CSBFP web site and provide information in their newsletters; CSBFP pamphlet updates and distribution to stakeholders; and more. As a result, since 2018-19, awareness of CSBFP among borrowers increased by 5%, from 29% to 34% and awareness among non-participants increased by 6%, from 10% to 16%.</p>	Director General,  Small Business Branch	June 30, 2025
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## **Small Business, Tourism and Marketplace Services**

### **Management Response:**

SBTMS officials will continue efforts to increase awareness and knowledge of the CSBFP among SMEs through a variety of proactive measures:

- The CSBFP will continue to offer interactive webinar information sessions to lenders, key intermediaries and BSOs to leverage their reach in promoting the program. Additional training, targeting all lenders including provincial credit union centrals, will also be provided on a regular basis on topics such as making a loan, claim submission requirements, realizing on a loan, etc. to ensure all stakeholders are current with program parameters and information.
- SBTMS officials will, subject to available funds, attend and participate in select conferences (e.g., Canadian Franchise Association's annual event; Canadian Chamber of Commerce's Annual General Meeting), providing networking opportunities to increase key intermediaries and SMEs' awareness and knowledge. Similarly, BSOs and

associations will be contacted and encouraged to add new or updated links to the CSBFP's website and share content via their newsletters and events regularly throughout the upcoming years.

- The CSBFP will continue to implement practical strategies to reach BSOs, SMEs and other government departments to increase awareness and knowledge of the program among potential borrowers. For example, a repository with shareable materials to be used by partners on their platforms (website, social media, etc.) is targeted to be created by the end of September 2024 and shared with financial institutions, industry associations, BSOs, public libraries, chambers of commerce and other government departments (Federal/Provincial/Municipal).). This includes ready to use articles, images, videos, buttons and social media materials that stakeholders can use on their platforms to promote the program. Ongoing collaboration with SCMS to increase awareness of the program communications in their social media campaigns, newsletters, and

	<p>other initiatives (Canada Business App – push notifications, GC Business Insights newsletter) will be leveraged as well as CSBFP officials' participation in the ISED Outreach Working Group throughout the year, encouraging other members to help promote the CSBFP through their respective activities and events.</p>		
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<p>ISED's Small Business, Tourism and Marketplace Services Sector should continue efforts to expand the list of registered CSBFP lenders, particularly for Indigenous financial institutions, to help increase access to the program.</p>	<p><b>Small Business, Tourism and Marketplace Services Position:</b></p> <p>The Small Business, Tourism and Marketplace Services Sector agrees with the recommendation.</p> <p>Supporting IFIs and Indigenous small businesses is a priority for SBTMS and the Government overall. While efforts have been made to advance discussions to designate IFIs as lenders under the CSBFP, SBTMS recognizes that more can be done in this regard to better understand any potential issues, the extent of any gaps, and how best to fill those gaps.</p> <p><b>Small Business, Tourism and Marketplace Services Management Response:</b></p> <p>SBTMS will re-engage with IFIs over the rest of this calendar year to identify any barriers to becoming designated as a lender under the CSBFP.</p> <p>Based upon the outcome of these discussions and once the required information is provided, SBTMS will explore whether the lender designation policy could be adapted to help increase access to the program.</p>	<p>Director General,</p> <p>Small Business Branch</p>	<p>June 30, 2025</p>
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<p>ISED's Small Business, Tourism and Marketplace Services Sector should consider further program modifications to better meet the evolving needs of SMEs.</p>	<p><b>Small Business, Tourism and Marketplace Services Position:</b></p> <p>While a number of changes have been implemented since 2019, including expanding loan eligibility; increasing the maximum loan amount and government coverage period for non-real property loans; introducing a line of credit option; removing the restriction excluding not-for-profit, charitable, and religious enterprises; and improving loan conditions/requirements, SBTMS recognizes that additional program modifications could be explored to further enhance program performance and relevancy for SMEs.</p> <p><b>Small Business, Tourism and Marketplace Services Management Response:</b></p> <p>SBTMS will continue to review options to further improve program parameters with the intent to better meet the evolving needs of Canadian SMEs. Consideration will be given to changes in the upcoming statutory Comprehensive Review report. This report is an in-depth examination of the provisions and operation of the CSBFP that covers the 2019-24 period and will also provide an outline for future directions/ improvements. Some potential</p>	<p>Director General,</p> <p>Small Business Branch</p>	<p>June 30, 2025</p>
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	<p>changes being explored include, amongst other things, increasing the maximum loan amounts (particularly for real property), increasing the Minister's liability limit, combining the lender liability caps for term loans and lines of credit, and expanding borrower eligibility (e.g., consider holding companies as eligible borrowers).</p> <p>The 2019-24 CSBFP Comprehensive Review Report will be developed and tabled in both Houses of Parliament by March 31st, 2025. Legislative and regulatory changes would then be drafted to implement enhancements approved via the Budget process or by Cabinet and Treasury Board.</p>		
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<p>ISED's Small Business, Tourism and Marketplace Services Sector should explore approaches to further lessen the administrative burden for both borrowers and lenders, while not compromising program integrity.</p>	<p><b>Small Business, Tourism and Marketplace Services Position:</b></p> <p>The Small Business, Tourism and Marketplace Services Sector agrees with the recommendation.</p> <p>Since 2019, SBTMS officials have worked to reduce the administrative burden for borrowers and lenders. For example, the documentation requirements to substantiate the cost and proof of payment for expenditures have been significantly reduced.</p> <p>From an efficiency perspective, 99% of loan registration forms and fees and 95% of administration fees are now received electronically, while 100% of claim payments are transmitted electronically.</p> <p>Furthermore, program officials have provided lenders with training on how to avoid multiple exchanges when submitting claims or responding to inquiries (e.g., which documents to submit in various situations), and have created and updated templates to be used by lenders and borrowers to help simplify and clarify processes.</p> <p><b>Small Business, Tourism and Marketplace Services Management Response:</b></p>	<p>Director General,</p> <p>Small Business Branch</p>	<p>June 30, 2025</p>
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	<p>SBTMS officials will continue to explore options to reduce the administrative burden for both borrowers and lenders, subject to legislative and regulatory requirements (e.g., Financial Administration Act), with the intent to further streamline the program. Consideration will be given to changes in the upcoming 2019-2024 Comprehensive Review which will provide an overview of the provisions and operations of the program and outline future directions.</p>		
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**Date modified:**

2024-11-29