**Date:** 3rd August 2018

**To:** Jon Gruber, Ian Calaway, Cora Touchstone

**From:** Steven Yang

**Re:** Canadian Federal R&D Funding Sources: Atlantic Canada Opportunity Agencies

**1. Background**

Atlantic Canada Opportunity Agencies (ACOA) is the Government of Canada agency responsible for helping to create opportunities for economic growth in the Atlantic Provinces by working with the people of the region – in their communities, through their institutions and with their local and provincial governments and businesses. The Atlantic Provinces of Canada include: New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island.

**2. Atlantic Canada Opportunity Agencies R&D Funding**

ACOA’s program activity that contributes to R&D funding is its Enterpise Development Program. Under this program, the ACOA seeks to work in partnership with Atlantic Canadian businesses, stakeholders, industry and institutions to improve the growth and productivity of Atlantic Canada’s economy. The Agency works to improve the capacity of Atlantic Canada’s rural and urban areas for economic growth through a variety of strategically focused mechanisms: assisting businesses, particularly small and medium-sized enterprises and partnering with institutions to increase the region’s research and development capacity, commercialization and productivity.

Under this Enterprise Development Program, the most notable funds to advance innovation are the Atlanitc Innovation Fund (AIF) and the Business Development Program (BDP). The AIF encourages partnerships among private sector firms, universities, colleges and other research institutions to develop and commercialize new or improved products and services. The BDP provides funding to innovative ideas and develop clean technology projects.

In 2016, QRA Corp was awarded 2.9 million CAD by the AIF. The conditionally-repayable funding will support QRA Corp in developing a commercial, industry-ready software platform that can assist engineers with the rigorous analysis and verification required for early-stage engineering designs. This platform has applications in fields such as defence and aeronautics[[1]](#footnote-1).

**3. Interesting Features and Potential Natural Experiments**

In 2014, the ACOA implemented enhancements to its innovation and commercialization programming. Improvements included moving the Atlantic Innovation Fund (AIF) to a continuous intake of project proposals; increased emphasis on technology soundness for AIF projects while continuing to support breakthrough science; allowing smaller-scale AIF commercial projects; and creating a commercialization program element under the Business Development Program (BDP)[[2]](#footnote-2).

In 2018, the ACOA highlighted the Women Entrepeneurship Society, which seeks to get more women invovled in business and innovation.

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| **ACOA Annual Expenditures Towards Enterprise Development (in millions CAD)[[3]](#footnote-3)** | | | | | | | | | | | |
|  | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| **Planned Spending** | 279.6 | 208.6 | 214.2 | 200.7 | 174.3 | 170.2 | 175.6 | 170.2 | 164.6 | 171.2 | 172.9 |
| **Actual Spending** | 223.6 | 213.6 | 215 | 192.2 | 191 | 172.9 | 179.9 | 180.7 | 173.9 | 171.9 | 186.2 |
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1. <https://qracorp.com/atlantic-innovation-fund/> [↑](#footnote-ref-1)
2. <http://www.acoa-apeca.gc.ca/eng/publications/ParliamentaryReports/Documents/2015%20DPR%20-%20MAIN%20DOCUMENT_EN%20v234%20for%20web%20PDF.pdf> [↑](#footnote-ref-2)
3. <https://www.canada.ca/en/treasury-board-secretariat/services/departmental-performance-reports.html> [↑](#footnote-ref-3)