



## **A Fresh Look at Business Support Programming**

**SIF, JPF, PIE, BGI, EODF**

(and other acronyms you need to know)

Ministry of Economic Development and Growth (MEDG)

Investment Funding & Coordination Branch

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# Agenda

Business Support Programs - Objectives

Ministry of Economic Development & Growth (MEDG) Investment  
Funding and Coordination Branch (IFCB) – who we are and what we  
deliver

Strategic Investment Framework (SIF)

Jobs & Prosperity Fund (JPF)

Business Growth Initiative (BGI)

Eastern Ontario Development Fund (EODF) update and program  
review results

Integration of JPF-EODF-SWODF-RED

# Business Support Programs - Objectives

Business Support Programs provide supports (i.e. grants/loans), aimed at attracting and securing investments that will help Ontario achieve its policy objectives, such as:

- Building up Ontario's future high-growth economic capacity
- Strengthening productive and innovative capacity and increase exports
- Securing strategic anchor investments in priority growth sectors
- Building world class enabling technology platforms that will strengthen the global competitiveness of Ontario firms
- Supporting regional investment and job creation

Business support programs form part of a broader government toolkit used to attract and retain investment in Ontario

# MEDG Investment Funding & Coordination (IFCB) Branch

Our Role: Manage Business Support Programs

Our Portfolio:

Jobs and Prosperity Fund (JPF) – launched in 2015

- New Economy Stream
- Food and Beverage Growth Fund
- Strategic Partnerships Fund
- Forestry Growth Fund

Eastern Ontario Development Fund (EODF) – launched in 2008

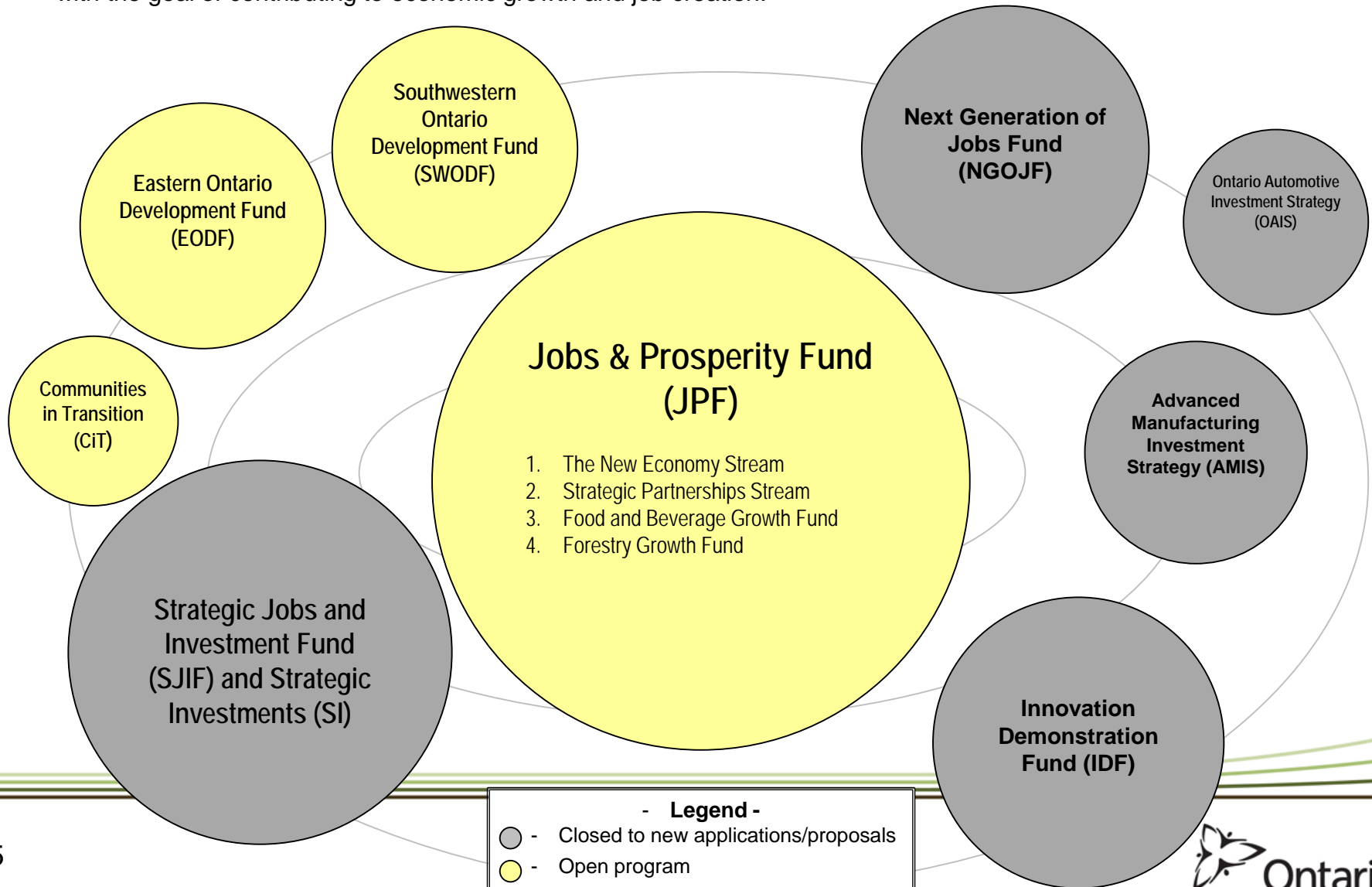
Southwestern Ontario Development Fund (SWODF) – launched in 2012

Legacy Programs (NGOJF, SJIF, etc.)

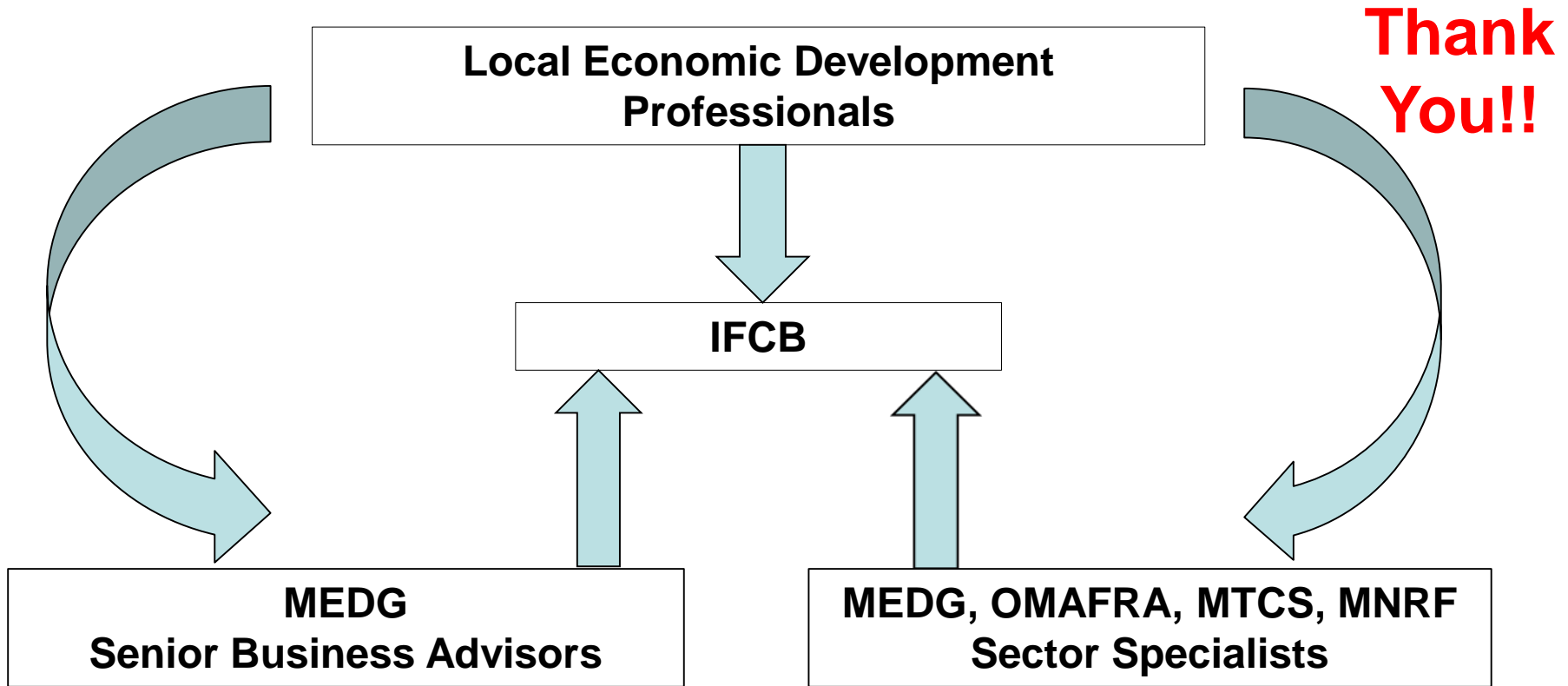
Communities in Transition\* (CIT) – launched in 2006 (does not provide direct support to business)

# Business Support Programs – Programs Delivered

MEDG manages and administers a number of grant/loan programs that incent firms to make investments in Ontario with the goal of contributing to economic growth and job creation.



# Feeding the Pipeline



# SIF - Strategic Investment Framework

When the Jobs and Prosperity Fund was launched, reference was made to a “strategic investment scorecard” to evaluate funding decisions.

Framework to be used across ministries and programs.

For project funding to be approved, companies must demonstrate how they will further increase productivity, bolster innovation and improve their international competitiveness while providing long-term economic benefits for the province and driving job creation.

SIF takes into account:

- Productivity, Innovation, Exports (PIE)
- Sector – Cluster priorities – impact on Ontario’s competitive advantages in key sectors/clusters
- Incrementality – government support impact on company investment
- Return on Investment (ROI) for the province - revenues generated by project’s incremental economic activities vs financial support
- Financial and technical due diligence – company’s financial ability and technical expertise/capacity to deliver project objectives

# The Regional Lens

The regional programs are an important component of Ontario's strategy to attract investment and create jobs.

Programs like EODF exist because so many of you worked tirelessly and effectively to demonstrate that the economic challenges in the regions are different than those in the larger centres.

So while we do certainly consider the elements of the Strategic Investment Framework when assessing projects in EODF and SWODF, we also put significant weight on the regional impact of each project.

Local EDOs and field staff from our various partner ministries play a key role in helping us understand the broader impact of each project on the local supply chain and on the regional economy in general. **Thank you for your role in this!**



# JPF - Jobs & Prosperity Fund

The Jobs and Prosperity Fund (JPF) was announced in the 2014 Ontario Budget as a \$2.5B fund over 10 years. The 2015 Budget announced additional funding of \$200M.

## New Economy Stream:

- improve productivity, performance and competitiveness
- build innovation capacity
- increase access to global markets

## Food and Beverage Growth Fund:

- help create sustainable jobs
- enhance productivity, innovation and market access
- strengthen supply chains in the food, beverage and bioproduct processing sectors

## Strategic Partnership:

- For partnerships with at least \$10M in eligible costs, focus on transformative technologies

## Forestry Growth Fund:

- Improve productivity and innovation and support new market access
- enhance competitiveness
- strengthen supply chains and regional economies

New Rural and Regional Economic Development Stream – to be launched Spring 2017

# PIE – Productivity, Innovation, Exports

# PIE



## Productivity

- ✓ Support a highly-skilled workforce
- ✓ Increase industrial efficiency, technological development, product innovation and product variety
- ✓ Adopt leading-edge technology

## Innovation

- ✓ Build R&D / commercialization capabilities
- ✓ Foster collaboration between partners
- ✓ Embedding entrepreneurship and innovation into business climate
- ✓ Drive innovative products and production processes

## Exports

- ✓ Strengthen ability to compete in world markets
- ✓ Greater access to markets
- ✓ Foster international and interprovincial trade

# BGI - Business Growth Initiative

New strategy to increase the province's global competitiveness. It will build on Ontario's existing strengths and oversee the province's shift towards new areas of economic growth in the knowledge economy.

The strategy will commit \$400 million over the next 5 years and leverage Ontario's highly skilled workforce to compete through innovation. (Budget 2016)

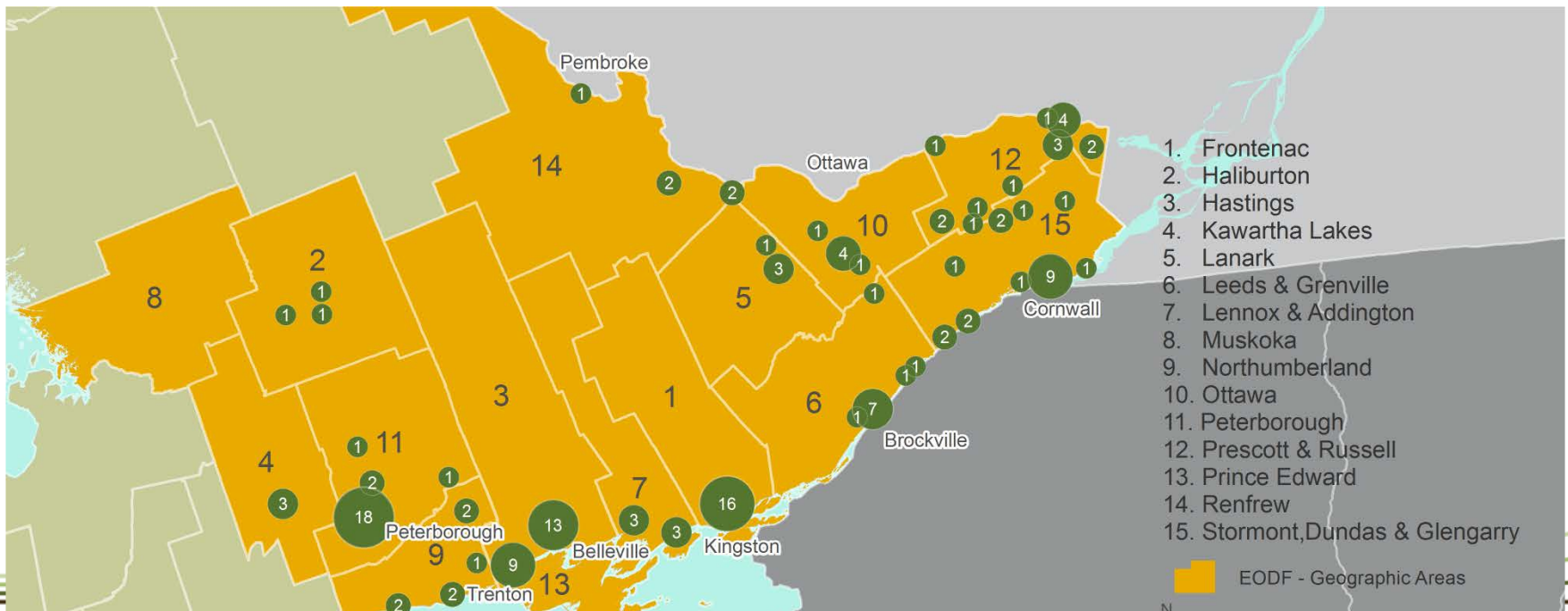
Three core BGI objectives:

1. Catapulting more Ontario firms into fully scaled business leaders
2. Seizing 21st century competitive advantages to stimulate an innovation-driven economy
3. Modernizing the regulatory system to lower the cost of doing business in Ontario

# EODF - Eastern Ontario Development Fund

Since 2008, the government has committed over \$89 million through the Eastern Ontario Development Fund, leveraging a total investment of over \$840 million.

- These investments have helped create and retain over 18,500 jobs.
- To date, almost 150 EODF projects have been announced.



# EODF Program Review 2013

The Attracting Investment and Creating Jobs Act (2012) requires that EODF and SWODF be evaluated after Year 1 and after Year 5 to assess the effectiveness, accountability, and geographic boundaries of the programs.

- Funds are seen to increase competitiveness of recipient companies by hastening investment and enhancing growth
- Projects that fall within the Business Stream appear to meet and often exceed job creation objectives
- The funds are seen to effectively produce additional indirect benefits
- Program guidelines, performance standards and reporting procedures are generally well constructed, understood and appropriately communicated
- Accountability for job creation and project implementation is clear and well tracked.
- Geographic idiosyncrasies make knowledge of local economies key

# EODF Post Contract Evaluation

Response to the Auditor General's Recommendation that MEDG monitor post-project performance of firms that receive funding support in order to assess the longer-term impact of government support.

Deloitte 2016 - Do firms continue to make investments? Continue to add jobs? Have the firms grown?

Key findings of the review include the following:

- Post-contract, participating EODF firms have continued employment growth
- Participating firms clearly maintained high performance since their contracts had been completed
- Respondents widely reported increases in revenue, exports, payroll and investment
- Respondents were, overall, extremely satisfied with the program
- EDOs feel that EODF is one of their most important tools for business retention and attraction

## JPF RED EODF SWODF Integration

2016 budget - Moving forward, the Eastern Ontario Development Fund, the Southwestern Ontario Development Fund and the Rural Economic Development (RED) Program will be better integrated with the Jobs and Prosperity Fund to help improve the coordination of regional support programs.

- OMAFRA to continue delivery of RED Community Development Stream

MEDG and OMAFRA are discussing program design based on past reports and will be consulting with stakeholders regarding the integration of the Regional (EODF and SWODF) and RED (business stream) programs.

**Thank you**