

Joint Reports to PACP – RRRF

As part of the Government Response to the Standing Committee on Public Accounts' (PACP) Report 17 entitled: *Regional Relief and Recovery Fund* (the PACP Report), the regional development agencies (RDAs) committed to provide the PACP with a progress report in June 2024 on the Regional Relief and Recovery Fund (RRRF). This report responds to the PACP's request.

Committee Recommendation #4

The Regional Development Agencies should provide the Committee with a joint report with a report on the default rate for repayable loans.

The RDAs have collectively funded 8,125 projects valued at \$989.2 million. This funding support was provided directly to businesses. As of April 30, 2024, the RDAs report the following on recommendation #4:

- Measures taken to encourage repayment – multiple attempts to contact (via email, phone, letters); flexible repayment plans as per the program parameters and the terms and conditions; issuance of default and demand letters as needed; pursuance of advanced collection actions including legal avenues and CRA set-offs.
- The collective default rate for all RDA repayable loans is 9.25%

Note the following definitions were used:

Defaults - includes businesses that have closed or are in the process of closing, bankruptcies and receiverships, and those subject to recovery actions.

Value of Default – amount not repaid, excludes interest, fees, and any repayments towards the principal.

Approved Funding - includes amounts approved for direct funding for RRRF projects.

Additional details can be found in Annex A – RRRF Reporting on Repayments.

In addition to this report, subsequent reports on default rates will also be provided to PACP at the intervals indicated in the recommendation (31 December 2024, 30 June 2025, and 31 December 2025).

Annex A: Report 4 - RRRF Defaults

RDAs Regional Relief and Recovery Fund Direct Funding to Businesses: Defaults

(Cumulative Data as of April 30, 2024)

Regional Development Agency	Approved Funding (Millions)	Defaults ¹		
		Number of projects in default	Approved Funding Under Default (Millions)	Value of default (Millions) ²
Atlantic Canada Opportunities Agency (ACOA)	108.8	25.0	5.9	5.7
Canada Economic Development for Quebec Regions (CEDQ)	124.5	184.0	23.2	21.4
Canadian Northern Economic Development Agency (CANNOR)	2.0	0.0	0.0	0.0
Federal Economic Development Agency for Southern Ontario	305.5	77.0	15.2	14.3
Federal Economic Development Agency for Northern Ontario	32.7	6.0	1.2	1.2
Prairies Economic Development Canada	268.8	622.0	39.6	37.2
Pacific Economic Development Canada	146.9	222.0	12.8	11.7
TOTAL	\$989.21	1136	\$97.90	\$91.53

Unclassified

NOTES

[1] includes businesses that have closed or are in the process of closing, bankruptcies and receiverships, and those subject to recovery actions.

[2] amount not repaid, excludes interest, fees, and any repayments towards the principal.