



Western Economic  
Diversification Canada

Diversification de l'économie  
de l'Ouest Canada

SUSTAINABLE DEVELOPMENT STRATEGY

# A Stronger West A Stronger Canada



[www.wd.gc.ca](http://www.wd.gc.ca)



Canada

# Message from the Minister

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Our new Prime Minister has set out an ambitious agenda for the Government of Canada, focused on building a modern economy, strengthening Canada's social foundations, and ensuring Canada's place in the world. Sustainable development is at the heart of action by all Canadians to create sustainable economic growth and a high quality of life that balances economic, social and environmental considerations.

At Western Economic Diversification Canada (WD), we consider sustainability an integral part of every decision-making process. WD activities support the economic well-being of Western Canada, while also making significant contributions to environmental and social needs. Our three strategic directions – innovation, entrepreneurship and sustainable communities – are also priorities of our Sustainable Development Strategy (SDS). We believe that by building a stronger West, we are building a stronger Canada.

This is WD's third Sustainable Development Strategy, following successful strategies in 2000 and 1997. It builds on these previous strategies as well as on an independent evaluation of SDS 2000 and several consultations within the department and with outside organizations.

Four key activities, which are consistent with WD's mandate and strategic directions, provide the framework for this third round of sustainable development planning:

- Provide information to WD staff and our partners on the practical applications and benefits of sustainable development;
- Invest in the development and commercialization of environmental technologies and processes in Western Canada;
- Invest in projects that enable western Canadian communities to improve their social, environmental, and economic sustainability; and,



- Provide information to western Canadian businesses on sustainable development concepts, practices and benefits.

WD will continue to promote and support sustainable development projects and discussions in Western Canada, such as our Western Canadian Environmental Technology Forum in December 2003 and the World Urban Forum, being planned for 2006.

In collaborating with governments and industry, we will also continue to seize every opportunity for integrating our sustainable development goals into our daily activities. In this way, we will ultimately achieve our vision of a truly sustainable future.

A handwritten signature in black ink, reading "Dr. Rey D. Pagtakhan, M.P.". The signature is written in a cursive style and is positioned above the printed name of the minister.

*The Honourable Dr. Rey D. Pagtakhan  
Minister of Western Economic Diversification*

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# Executive Summary

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Western Economic Diversification Canada's (WD) Sustainable Development Strategy is an essential element of our broader vision of "A Stronger West. A Stronger Canada."

The principles and practices that underlie the concept of sustainable development and the emphasis it places on economic, social and environmental well-being as the overarching framework for development are fundamental to the long-term growth and quality of life of western Canadians.

WD is a federal department headquartered in Western Canada with a mandate to promote the development and diversification of the economies of the four western provinces and to advocate on behalf of western Canadian interests in national decision-making. Although comparatively small with a core program budget of \$128-million (2003-04) and 360 staff serving the four western provinces and Ottawa, WD has a broad reach in the West.

WD is well positioned through our three strategic priorities of innovation, entrepreneurship and sustainable communities to promote sustainable development in Western Canada. We invest in and support innovation and technology commercialization, provide services and programs for business, and work closely with western Canadian communities to support their long-term development. WD also delivers a number of other programs on behalf of the federal government such as the Canada Infrastructure Program and Softwood Industry Community Economic Adjustment Initiative (SICEAI) that represent important investments and opportunities in the area of sustainable development. In addition, WD works with a broad range of government, community, industry and academic partners in the West and in Ottawa, and our employees are experienced and knowledgeable about Western Canada and western Canadian issues.

**WD is well positioned through our three strategic directions - innovation, entrepreneurship and sustainable communities - to promote sustainable development in Western Canada**

As a result, the department brings an array of funding, programs, services, expertise, and networks together that enable it to have a positive impact on encouraging growth and development in Western Canada that is economically, socially, and environmentally sustainable.

WD's first two Sustainable Development Strategies have laid important groundwork for this, our third, Sustainable Development Strategy. WD's SDS 2003 has also been shaped by several other factors. It reflects suggestions made through an independent evaluation of SDS 2000 and consultations undertaken within WD and with external organizations. It captures some of the relevant research, analysis and ideas that have emerged through important forums and events such as the World Summit on Sustainable Development (Johannesburg 2002), the federal endorsement of the Kyoto Accord and federal Climate Change initiatives, and the WD sponsored Western Canadian Environmental Technology Forum held in early December 2003. It also reflects priorities identified in the draft Federal Sustainable Development Strategy and the Speech from the Throne 2002, particularly an emphasis on healthy and sustainable communities.

The result is a strategy that integrates sustainable development into the department's everyday activities and ensures that sustainability is reflecting in our three ongoing goals:

- Strengthened innovation;
- Enhanced competitiveness, and,
- Sustainable communities.

To achieve these goals, WD has identified four key activities that will be pursued within the framework of our mandate:

- Provide information to WD staff and our partners on the practical applications and benefits of sustainable development;

- Invest in the development and commercialization of environmental technologies and processes in Western Canada;
- Invest in projects that enable western Canadian communities to improve their social, environmental, and economic sustainability; and,
- Provide information to western Canadian businesses on SD concepts, practices and benefits.

WD also acknowledges the challenge of measuring impacts of our sustainable development activities, the importance of ensuring broad organizational commitment to the strategy, and the need to track and report on the results of our efforts. As part of our priorities for SDS 2003, the department will enhance these aspects of our Sustainable Development Strategy.

## Background

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This is Western Economic Diversification Canada's (WD) third Sustainable Development Strategy (SDS) – the previous two were in 1997 and 2000. In the 2002 Speech from the Throne, the link between the environment, the economy and social well-being was once again clearly articulated:

*“Canadians know that our health and the health of our children, the quality of life in our communities and our continued economic prosperity depend on a healthy environment.”*

This reflects the priority of the federal government that dates back to 1990 and became formalized in law in December 1995 with amendments to the *Auditor General Act*. These amendments created the position of the Commissioner of the Environment and Sustainable Development (CESD) within the Auditor General's office, and the requirement to develop and table a Sustainable Development Strategy (SDS) in Parliament. Each department's SDS must demonstrate how it will

incorporate sustainable development principles and practices into its policies, programs and operations. An updated SDS must be tabled every three years and annual progress reports are required within the Departmental Performance Report.

Recently the CESD clarified her expectations for the third round of SDSs. Four points were particularly relevant to our approach at WD, and are worth noting:

- **Decision-making should be affected** – SD considerations need to be taken into account in all of our decision-making, and this should lead to changes in policies, programs.
- **The role of our SDS must be clear** – We need to more clearly indicate the role played by our SDS and how it relates to other strategies and systems that exist within the department.

- **We need a vision** – The CESD has stated “the federal government needs to establish a vision, in clear and understandable terms, of what Canada will look like in 20 years in the context of sustainable development.” In light of this requirement, WD has focused on what Western Canada will look like in 20 years, to help us form our own vision and to contribute to the overall effort to respond through our SDS.
- **We need to learn from the past** – As in the past, a review of the last SDS is vital – we need to decide how effective our approaches in past SD strategies have been, and answer the question “Do current goals, objectives and targets go far enough and should SDS 2000 be a basis for the next SDS?”

As a first step we have integrated SD into our three strategic objectives – **innovation, entrepreneurship and sustainable communities**. Our strategy has been streamlined, focusing on leveraging our partnerships – with other governments, non-governmental organizations, delivery partners in the Western Canada Business Services Network (WCBSN), and the private sector – fostering SD within WD, and providing information on SD to western Canadian businesses. Through the implementation of our approach to SD and the accompanying operational systems such as strategic environmental assessment, we will continue to meet the economic development needs of Western Canada while looking for ways in which this work can also have a positive social and environmental impact.

## Developing the WD Vision of Sustainable Development

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### Consultations

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To establish a medium-term strategic plan for sustainable development, a long-term Western Economic Diversification Canada (WD) vision is required, one which is guided not only by what we want WD to be, but also by the kind of community we want to build, now and into the future. WD held a number of consultations in the development of SDS 2003. WD sought input and comments on the draft documents internally and externally. WD’s Sustainable Development Implementation Team (SDIT) and the Green Team first met to discuss the vision and determine how they envision the West twenty years into the future.

Through their discussions, a number of goals and objectives were defined. A draft document was developed and shared amongst the two teams spearheading the department’s SDS. The executive cadre was consulted with the draft text and goals. The draft was then shared with staff and Western Canada Business Services Network (WCBSN) members. Following this, the department launched an external consultation with the public.

### Internal Consultation

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WD engaged in a process of setting out a vision for sustainable development that involved four steps:

- imagining Western Canada twenty years from now;

- establishing a working definition;
- setting out a vision statement; and,
- setting out guiding principles as a practical tool for implementing the vision.

## External Consultation

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Following the internal and partner consultations, WD launched the department's first e-consultation process with the public. The e-consultation was listed on the WD Web site under a new category called "Consulting with Western Canadians." In addition, the SDS 2003 consultation was duplicated and posted on the Government of Canada's "Consulting Canadians" Web site. Simultaneously, the draft for SDS 2003 was shared with the Interdepartmental Network of Sustainable Development Strategies (INSDS), which consists of 28 federal

departments. The INSDS regularly exchange information about the progress of the SDS 2003 development, new developments that affect all members, common federal directions and potential initiatives that can be undertaken jointly. The message relayed to WD officers, WCBSN members, and the public was to "tell us what you think – tell us if we got it right." WD asked the respondents to consider a number of questions. The questionnaire and a summary of the responses are in **Appendix A**.

## How WD sees Western Canada in Twenty Years

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A number of WD employees participated in a discussion about the kind of place they would like Western Canada to be 20 years from now. This is what they envisioned:

### Security

- Our water supply is safe and we have enough to meet our needs.
- Our food supply is safe and in adequate supply.
- Our communities are safe and secure.

### Quality of life

- We have vibrant inner cities and have mitigated urban sprawl.
- We have sustainable, prosperous Aboriginal communities.
- We are leaders in developing green products and resources.
- We have benefited from globalization because we have successfully mitigated the negative impacts and capitalized on the positive aspects.

### Economic prosperity

- Rural economies are diversified and growing.
- We have an equitable distribution of economic opportunities and benefits amongst groups in society.
- Our industries are 'lean and green,' having adopted eco-efficiency methods to improve cost efficiency and minimize environmental impact.
- We are prospering in the North American marketplace without losing our Canadian identity.

### Physical environment

- We are undergoing a transition from *cleanly* extracted and consumed forms of non-renewable energy to renewable sources such as wind, solar and biomass or bio-fuels such as ethanol, and hydrogen fuel cells.

- We enjoy good and ever-improving air quality.

This list encompasses many aspects of life in Western Canada, and most importantly touches upon all three elements of

sustainable development: environmental protection, social well-being and sustainable economic growth. The list anchors our ‘world-view’ of sustainable development in Western Canada, and allows us to focus on a vision.

## A Definition of Sustainable Development for WD

On the basis of our consultations, and review of leading SD research, WD has agreed on a broad definition of sustainable development. This is an important step forward, as it creates a context for reviewing projects and operations. Sustainable development:

- *is an economic state where the demands placed upon the environment by people and commerce can be met without reducing the capacity of the environment to provide for future generations;*<sup>1</sup>
- *is economic development that has a positive long-term social and/or environmental benefit; and*

**Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs**

- *meets the needs of the present without compromising the ability of future generations to meet their own needs.*<sup>2</sup>

<sup>1</sup> Paul Hawken, *The Ecology of Commerce*, p. 139.  
<sup>2</sup> Brundtland Commission, *Our Common Future*.

## The WD SD Vision

In order to fully integrate sustainable development into our planning, program delivery and operations, WD has decided to adopt a vision of sustainable development, supported by a series of principles. The vision is as follows:

- *WD is building a more sustainable Western Canada by making strategic investments and providing its employees and partners with practical tools to integrate sustainable development into the three core areas of business or*

*‘strategic directions’ – innovation, entrepreneurship and sustainable communities.*

WD has already begun acting on this vision by incorporating sustainable development measures into two of its most important project assessment tools - Due Diligence Report (DDR) and the GX Financial System. All projects are screened to determine whether there are elements contributing to sustainable development in Western Canada.



# The Principles of Sustainable Development

WD has adopted a set of Sustainable Development Principles that guide implementation of our SD Vision.

## **Principle 1:**

Building a sustainable future for Western Canada is everyone's responsibility. The WD Principles of Sustainable Development apply equally to all employees of WD.

## **Principle 2:**

WD's sustainable development strategy must include economic, social and environmental components.

## **Principle 3:**

All WD projects are directed toward an economic development outcome.

- Development and diversification of the Western Canadian economy is at the heart of the WD mandate.
- All projects are evaluated to ensure that no net negative environmental or social impacts are anticipated.
- SD projects have positive long-term environmental and/or social impacts, as determined by the screening process.

## **Principle 4:**

In developing and implementing programs at WD, WD employees will ensure that social and/or environmental objectives are taken into consideration and built in the program at the planning and delivery stages where possible.

## **Principle 5:**

WD will focus on the following social goals of sustainable development.

- *Keep our communities safe and secure.*
- *Build vibrant urban and rural communities.*
- *Build strong sustainable communities, including Aboriginal communities.*

**Building a sustainable future for Western Canada is everyone's responsibility**

## **Principle 6:**

WD programs, services and projects will encourage environmental goals of sustainable development:

- *Secure water quality.*
- *Promote opportunities to develop or use alternative sources of energy.*
- *Improve air quality.*
- *Conserve resources by optimizing utilization efficiency where possible.*
- *Minimize waste by applying the 3Rs – reduce, reuse and recycle.*

## **Principle 7:**

Reduce our own ecological footprint.

- *Continuously review and improve WD internal operations by applying Principle 6 to everything that we do.*

## **Principle 8:**

Western Economic Diversification Canada will promote SD in interdepartmental committees, and encourage adoption of common SD measurement and reporting methods.

# WD Profile

(excerpts from *Working with the West 2003* & the *Report on Plans and Priorities 2003*)

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## The Departmental Mandate

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Founded in 1987, Western Economic Diversification Canada (WD) is mandated to promote the development and diversification of the economy of Western Canada and to advance the interests of the West in national economic policy. WD has offices located in Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Regina, Winnipeg, and Ottawa. In addition, the department has a Western Canada Business Service Network delivering services throughout the West.

WD pursues activities that lead to:

- a strengthened western Canadian innovation system;
- a competitive and expanded business sector in Western Canada; and,
- increased economic activity that improves the competitiveness and the quality of life in western Canadian communities

Although WD's three strategic directions – Innovation, Entrepreneurship and Sustainable Communities – can be described individually, in reality they are not discrete, but intertwined. Innovation is often the result of entrepreneurial activities that drive the emergence of new sources of long-term employment and wealth. That, in turn, enhances the sustainability of local communities and the quality of life for their residents. Many of WD's initiatives are designed to address several priorities at once. More details are in **Table A**.

WD uses strategic partnerships – with other levels of government, the private sector, universities and communities – to maximize the investment in Western Canada's most valuable resources, the talents, energies and ideas of its people.

**WD's three strategic directions - innovation, entrepreneurship and sustainable communities - are intertwined**

Underlying all of WD's initiatives is the goal of ensuring that every western Canadian – including Aboriginal people, youth, women, Francophones, and residents of remote and northern communities – has an opportunity to participate in, and contribute to, the economic success of the West and our entire country.

For a more detailed description of WD's programs and services, please refer to **Appendix B**.

TABLE A

<b>Summary of WD's Three Strategic Directions (From the Report on Plans &amp; Priorities)</b>		
<p><b>Innovation: strengthened western Canadian innovation system.</b></p> <ul style="list-style-type: none"> <li>• Enhanced technology commercialization and adoption</li> <li>• Improved knowledge infrastructure and capacity</li> <li>• More innovative communities</li> <li>• Enhanced coordination and alignment of innovation priorities and strategies between federal, provincial and other innovation players</li> </ul>	<p><b>Entrepreneurship: competitive and expanded business sector in Western Canada.</b></p> <ul style="list-style-type: none"> <li>• Improved business management capabilities of SMEs</li> <li>• Improved access to financing for SMEs</li> <li>• Increased investment in Western Canada</li> <li>• Increased participation in international markets</li> </ul>	<p><b>Sustainable Communities: increased economic activity that improves the competitiveness and the quality of life in western Canadian communities.</b></p> <ul style="list-style-type: none"> <li>• Greater collaboration and integration among governments and communities</li> <li>• Increased economic opportunity and investment within Western Canada's communities</li> <li>• Increased participation of Aboriginal people in the economy</li> <li>• Enhanced capacity of western Canadian communities to implement strategies that promote sustainable development</li> </ul>

**Innovation**

***Strengthening the western Canadian innovation system***

Knowledge and innovation form the essential foundation for economic prosperity in the new global economy. As a result, support for innovation has become a central priority for the Government of Canada as a whole. That support reached a new level with the launch of Canada's Innovation Strategy in February 2002. It is a national agenda that calls on all stakeholders – businesses, non-profit organizations, educational institutions and other levels of government – to come together to improve Canada's innovation

performance and to see the maple leaf become a hallmark of excellence for the world. WD supports Canada's Innovation Strategy in the West by investing in innovative projects that move Western Canada more strongly into the knowledge-based economy.

**Entrepreneurship**

***Creating a competitive and expanded business sector in the West***

More so than elsewhere in the country, small business is the economic engine of Western Canada.

A study prepared by the Western Centre for Economic Research in 2001 revealed that the number of small businesses per capita is 40% higher in the West than in the rest of Canada. As the source of nearly 80% of new jobs, entrepreneurship is a powerful force for prosperity.

To fuel this valuable source of economic growth, WD supports the willingness of entrepreneurs to take risks, devise new products and services, and create jobs and opportunity in communities across Western Canada. In 2001–2002, the partners in WD’s Western Canada Business Service Network responded to over 754,000 requests for information, provided more than 136,000 advisory services and trained 64,400 clients.

### **Sustainable Communities**

***Increased economic activity that improves the competitiveness and the quality of life in western Canadian communities***

The sustainability of western Canadian communities is a goal that cannot be

**The number of small businesses per capita is 40% higher in the West than in the rest of Canada**

addressed through prosperity alone. Many factors – including social, environmental and economic issues – affect the ability of communities to access and take advantage of opportunities for sustainable growth.

Severe drought conditions, the softwood lumber dispute, fluctuations in commodity prices and the Kyoto Protocol are just a few of the broader issues that are impacting the sustainability of western Canadian communities.

WD plays a strategic role in addressing these issues in the West by forging partnerships between the federal government, the four western provincial governments, municipalities, academic institutions, industry and other stakeholders. These partnerships are helping to converge western interests and resources to build a sustainable future throughout the West.

## **Looking Ahead**

(excerpts from *Working with the West 2003*)

Western Economic Diversification Canada (WD) is the key department responsible for meeting the economic and social priorities of the Government of Canada in the four western provinces. Over the next three years, WD will be strengthening its contribution to these priorities in the following areas:

### **Stimulating Trade and Investment**

More than any other industrialized country, Canada relies on trade and investment for jobs and growth. As a result, WD places a high priority on increasing export

opportunities for western businesses and on increasing foreign direct investment into the West.

### **Strengthening Research and Innovation**

Strengthening the western Canadian innovation system continues to be a central priority for WD. WD is working to improve knowledge infrastructure and capacity, to enhance technology commercialization, to assist communities to develop and implement innovation strategies and to enhance the coordination and alignment of priorities between innovation system players.

## Meeting the Challenge of Climate Change

The quality of life and prosperity enjoyed by Canadians in the future will depend on a healthy environment. WD plays a central role in facilitating the application of innovation to the development of new environmental technologies that address the issue of climate change. Through support of initiatives advancing alternative and renewable energies, WD demonstrates leadership in impacting the climate change agenda. The department also lends its support by initiating events such as the Western Canadian Environmental Technology Forum that took place in Vancouver in December 2003, bringing together key players to address the issues affecting the success of the climate change initiatives.

## Investing in a more productive, sustainable economy

The Western Economic Partnership Agreements (WEPA) create new employment opportunities, support new economic infrastructure and promote economic development and entrepreneurship across the West. WEPA funding has been instrumental in advancing projects that would not have otherwise moved forward and has sped the progress of numerous economic and community development projects in Western Canada. All four western provincial governments renewed these important agreements in 2003.

## Creating Competitive Cities and Healthy Communities

The Urban Aboriginal Strategy (UAS) was established primarily in response to the serious conditions facing many urban Aboriginal people living in Western Canada, who face higher rates of poverty, higher unemployment rates and lower levels of education achievement compared with their non-Aboriginal counterparts. The UAS develops partnerships between federal, provincial and municipal governments, and Aboriginal stakeholders to address the social and economic needs of Aboriginal people in urban centres.

In 2006, Vancouver will host the United Nations' World Urban Forum, which will bring together representatives from major cities in the developing and developed world to display best practices in areas such as urban agriculture, public transit, green space planning and density. The Forum will be a watershed event in international progress on understanding and building sustainable communities.

WD will also work to create new Urban Development Agreements with western municipalities to coordinate economic and socio-economic activities and address issues unique to each city. Information on the Vancouver Agreement, an example of such an agreement, is in **Appendix C**.

# SD Situational Assessment for the West

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*“Western Canadians stand at the intersection of dramatic change in both their region and the global environment... The choices we make today will have a decisive impact on the prosperity of the West for generations to come.”*

– From Building the New West, an initiative of the Canada West Foundation, sponsored by Western Economic Diversification Canada in partnership with provincial governments and private donors.

The first step in developing new policies and initiatives for western Canadians is understanding the region’s needs, aspirations, and opportunities. Each year, Western Economic Diversification Canada (WD) sponsors a number of research projects and initiatives that lead to a better understanding of critical areas such as: opportunities in medical research, trends in small business, research infrastructure capacity, urban growth challenges, and broad economic and social trends. Many of these research initiatives are funded in partnership with provincial governments, academic institutions, think tanks and the private sector.

## **Climate Change**

### ***Issue***

The Government of Canada ratified the Kyoto Protocol in December 2002, and tabled a plan to achieve the mandated reductions in greenhouse gas emissions by 2012. The government’s focus is now on meeting its Kyoto commitments and on implementation of the Climate Change Plan for Canada. Budget 2003 allocated \$1.7 billion over five years to support innovation and cost-effective measures leading to greenhouse gas emission reductions in Canada.

## ***Challenges and Opportunities***

WD’s reputation in Western Canada as an effective advocate, broker and catalyst is based on a history of bringing diverse players together on issues of mutual interest. Its network of partners across the four western provinces, and its experience in working collaboratively with other departments and agencies, provincial and municipal governments, universities, industry and the business sector could be significant federal tools in fostering cooperation on climate change. The WD climate change strategy will include the following elements that are supportive of the government’s climate change initiative:

- Working in concert with provincial governments, industry organizations, universities and others in Western Canada to capitalize on the economic opportunities afforded by climate change;
- Making financial contributions to projects that mitigate the effects of climate change; and,
- Advocating on behalf of western issues and opportunities and in support of the Government of Canada’s position that no one region of the country be unduly affected, either economically or environmentally, by national measures taken to address Canada’s commitments under the Kyoto Protocol.

**WD's reputation in Western Canada as an effective advocate, broker and catalyst is based on a history of bringing diverse players together on issues of mutual interest**

## **Traditional Reliance on the Resource Sector**

### ***Issue***

The four western provinces are more heavily reliant on natural resources than other regions of the country. Natural resources account for a large part of output and employment in Western Canada, and they comprise the vast majority of exports from the region. This creates some distinct challenges across the West. One example is the potential conflict between resource extraction and the need to preserve biodiversity. In the report to the World Summit On Sustainable Development (WSSD) in Johannesburg in August 2002, the Government of Canada pointed out that healthy biological diversity – as reflected in functioning ecosystems – contributes fundamentally to the earth's supply of clean water, clean air, climatic stability and productive soils.

### ***Challenges and Opportunities***

For the West to continue to prosper, while preserving the benefits of our ecosystems for future generations, natural resource management must reflect an ecosystem approach. The West is still reliant on oil, forestry, and agricultural industries. Given this ongoing dependency, the challenge and opportunity for western industries is to be world leaders in sustainable practices associated with resource extraction, land management, and development of environmental technologies to mitigate negative impacts. The challenge for WD will be to support these industries through the adaptation of new environmental

technologies and new practices to preserve resources.

A focus on sustaining natural resources will help to spur on new forms of economic diversification within Western Canada by providing opportunities that produce:

- recycled content materials for primary production;
- energy or water conserving products and systems;
- alternative energy sources and innovative technologies;
- alternatives to hazardous materials; and,
- processes for the rehabilitation of contaminated lands.

## **WD and Service Delivery To Small and Medium Size Enterprises (SMEs)**

### ***Issue***

A key to economic growth and job creation is the cultivation of the small business community in Western Canada. In Western Canada, there are over 740,000 small enterprises (businesses with fewer than fifty employees and people who are self employed), and statistics show that small business creates over 45,000 jobs per year across the West.

WD is partnering with the Western Canada Business Service Network (WCBSN) to deliver services directly to SMEs. Over the past year, program evaluations of some of these services including the Community Futures Development Corporations (CFDCs), the Women's Enterprise Initiatives (WEIs), the Canada Business Service Centres (CBSCs) and the Loan Investment Fund Program have been carried out. All of these studies were very supportive of the programs. Ongoing additions to services offered by the CBSCs and the Francophone Economic Development Organizations (FEDOs) bring a full compliment of activities supporting all phases of business development.

## ***Challenges and Opportunities***

Small business owners must work hard to access capital, develop management skills and ensure that their core business fulfills a need within the economy. Longer-term goals for small businesses may include increasing exports and improving productivity. Communicating the benefits of a sustainable development approach to SMEs and providing them the opportunities to adopt new sustainable practices into their businesses are significant and immediate challenges. However, SMEs have the potential to encourage economic development in smaller communities, leading to less out-migration and decline in small communities, keeping skills and a sense of community in place, with the ultimate result being sustainable communities.

To succeed at implementing SD across the West, WD will need to partner with other governments, federal departments, community organizations, non-profit groups and the private sector to reduce overlap and duplication, lever additional resources and involve stakeholders in decision-making. Support for initiatives will require commitment from the grass roots level, with WCBSN members, to ensure that concepts, practices, and benefit of sustainable development are understood by SMEs. The WD SDS will need to be flexible, responsive and designed to facilitate partnering. The department can encourage projects that go beyond the economic portfolio, including projects in which environmental and/or social benefits are the primary focus and an economic outcome is a secondary focus. For example, a project to look at reducing environmental contaminants from the land may not appear to have an economic focus. However, reduction of the contaminants will result in a healthier more productive community that will be economically sustainable and productive.

## **Innovation in Western Canada**

### ***Issue***

WD has supported a number of emerging clusters over the years, including the hydrogen fuel cell cluster that was produced by world leader Ballard Industries. However, some innovation indicators such as expenditures in research and development (R&D), manufacturing output, percentage of science-based jobs, number of patents issued, and technology commercialization and adoption rates are not as high in the West as in other parts of Canada.

### ***Challenges and Opportunities***

Implementation of sustainable development is an ongoing process that will undoubtedly require many innovative solutions in the future. Support of SD could serve as an impetus for the development of new and exciting innovation clusters. For the innovation system to operate efficiently there is a need to work toward goals benefiting innovation and sustainable development, in a timely and synchronized manner. A WD focus on fostering innovation can address SD issues such as:

- energy and the creation of environmental technologies: the development of innovative technologies that aid in pollution prevention through sustainable production and adopting processes that reduce consumption in traditional resource sectors; and,

**Small and medium-sized businesses have the potential to encourage economic development in smaller communities, leading to less out-migration and ultimately sustainable communities**



- the development of new sectors that adopt and contribute to the concepts of integrated social, environmental and economic goals.

Innovation directed at creating 'leaner, greener' businesses can also produce exports, generating significant inflows of revenue and supporting the specific cluster and in turn the whole innovation system.

## **Sustainable Communities**

### ***Issue***

In the 2002 Speech From the Throne, the Government of Canada indicated that its focus on building sustainable communities would continue.

*"The government will target its regional development activities to better meet the needs of the knowledge based economy and address the distinct challenges of Canada's urban, rural and northern communities."*

WD is an important contributor to the development of sustainable communities in Western Canada. Sustainable communities have become a primary WD business line and will continue to be important in the coming years.

### ***Challenges and Opportunities***

WD's focus on Sustainable Communities encompasses economic, social and environmental outcomes, despite the fact

that its primary role is to support economic development activities. One of the challenges for WD is in strengthening the sustainable relationship between urban and rural communities. Another challenge is striking the right balance needed for community and economic development strategies to strengthen the foundation of both urban and rural sustainability.

For example the distinctions between rural and urban fringes are narrowing due to rapid land development to meet growing urban population needs. As urban centres grow, physical and social infrastructures to meet the demand of a growing population place pressures on the existing communities. Urban growth expands into rural fringes and begins to impose drastic effects on the environmental landscape. Conversely, rural communities experience a declining population base due to out migration of rural youths seeking employment in urban centres. The result is a decline in rural population that may be required to support local development and traditional resource based industries, and an increasing urban population that places additional strain on existing infrastructures. The opportunity for WD is finding the right balance of programming and services to sustain the well being of both urban and rural communities, supporting community and economic development initiatives that build relationships among communities, and advancing new initiatives while respecting traditional industries.

# Logic Model and Action Plan

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## Goals, Objectives and Targets

In discussing potential goals, objectives and targets, the SD Team reviewed the status of SDS 2000 commitments and decided to streamline the commitments for SDS 2003. A summary of this review is included in **Appendix D**.

## Logic Model

WD developed a logic model that outlines the department's SDS. The model outlines key activities, outputs and immediate outcomes for the sustainable development strategy. The model also describes intermediate outcomes. See **Table B** for the full logic model.

## Performance Measurement

The SDS Action Plan (**Table C**) clearly outlines the tasks to be conducted that relate to performance measurement. Rather than develop prescriptive protocols for each situation where performance measurement is required, all WD employees are asked to follow these basic principles:

- 1. What Gets Measured Gets Done** – Track and measure activities and their desired outputs.
- 2. Same Time, Same Place** – Set up a schedule for performance measurement and measure the same things at the same time of year. Try not to measure everything at the same time but set up the schedule so that management can see the whole picture once a year.
- 3. Same Thing** – Measure the same things every year. Consistency helps to provide a more accurate picture of progress from year to year.

- 4. Keep Good Records** – Record keeping is simple. Make sure that everyone knows where to find performance measurement data, and make sure that it is safely stored and backed up regularly.

## Corrective Action

Implementing correction action when it is needed is at the core of continuous improvement. The process of measuring progress compares where we are with where we should be. If we are not where we should be it is important to consider what can be done differently in the future, investigate the feasibility of making the recommended changes, document the changes that can be made, and follow through with the changes.

The WD environmental management system (EMS) includes a procedure for corrective actions. Each corrective action is to address the performance gap, the root cause and the action that will be taken to correct the situation.

## Management Review

WD holds an SDS Review Meeting with senior management once a year. During this meeting, progress against goals is reported, as are any corrective actions taken to rectify performance gaps. The details of the SDS section of the Departmental Performance Report (DPR) are also discussed and any other relevant issues are raised.

TABLE B

### Western Economic Diversification Canada Sustainable Development Strategy 2003 Logic Model

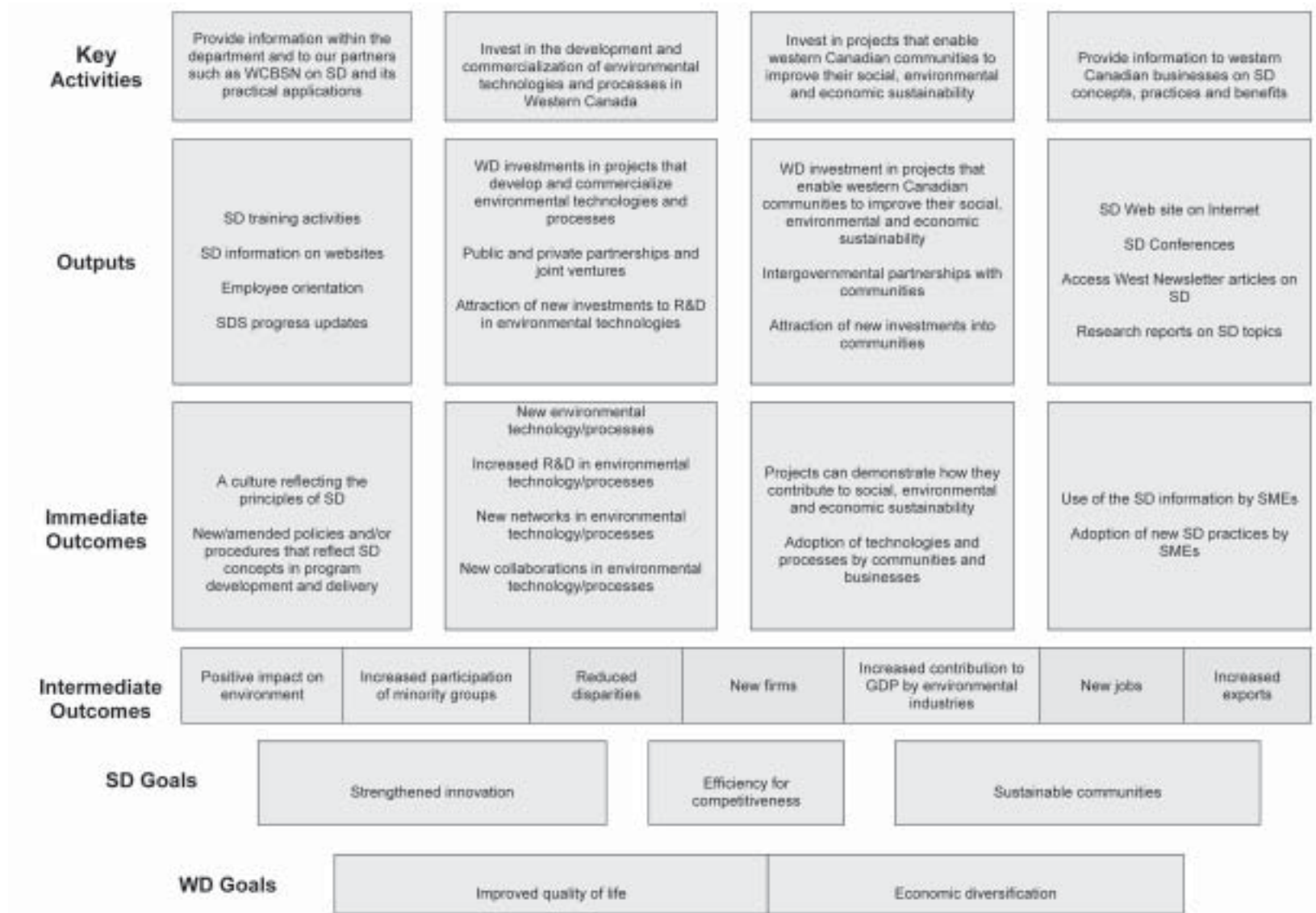


TABLE C

**Key Activity #1: Provide information within the department and to our partners such as WCBSN on SD and its practical applications**

<b>Outputs:</b>	<b>Performance Indicators:</b> (data to be collected by WD)	<b>Targets:</b>
SD training activities	<ul style="list-style-type: none"> <li>▪ % of officers attending SD related training</li> <li>▪ Current content to be included in existing SD online training tool on Intranet and Extranet (example: Kyoto protocol, enhance attention to climate change, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>▪ 50% of officers have attended training in Year 1, 75% of officers by Year 2, 100% of officers by Year 3</li> <li>▪ Review and update of content annually</li> </ul>
Websites	<ul style="list-style-type: none"> <li>▪ Updates posted of progress on SDS and/or Action Plan</li> <li>▪ Development of a new SD Web site within WD's Intranet site</li> <li>▪ Development of a sub-section dedicated to Greening Operations within WD's Intranet site</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annual updates of SDS and/or Action Plan progress, posted by August 31</li> <li>▪ SD Web site to be developed in Year 1, Web Site fully operational by end of Year 3</li> <li>▪ Greening Operations sub-section to be developed in Year 1, website fully operational by end of Year 3</li> </ul>
Employee orientation	<ul style="list-style-type: none"> <li>▪ Development of a new SD Web site within WD's Employee Orientation page</li> </ul>	<ul style="list-style-type: none"> <li>▪ SD Employee Orientation web page to be developed in Year 1, website fully operational by end of Year 3</li> </ul>
Promotion of generic SD information and updates	<ul style="list-style-type: none"> <li>▪ # of notices of SDS/Action Plan updates, promotions, events, training sessions, or tips directed to WD staff and partners</li> <li>▪ # of initiatives and partnerships created with other government departments</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minimum 4 promotional announcements per year</li> <li>▪ 6 new initiatives and/or partnerships created per year, measured annually</li> </ul>

<b>Immediate Outcomes:</b>	<b>Indicators:</b> (data to be collected during evaluation)	<b>Targets:</b>
A culture reflecting the principles of SD	<ul style="list-style-type: none"> <li>▪ Common articulation of SD (with respect to both personal and corporate action) among WD employees, management and partners such as WCBSN</li> <li>▪ Adherence to Green Plan targets</li> </ul>	<ul style="list-style-type: none"> <li>▪ More common articulation of SD among WD employees in the evaluation of SDS 2003 than was found in the evaluation of SDS 2000</li> <li>▪ % of staff that report adhering to common greening operations</li> </ul>
New/amended policies and/or procedures that reflect SD concepts in program development and delivery	<ul style="list-style-type: none"> <li>▪ Ongoing updates and reporting to Executive Committee and Staff on:               <ul style="list-style-type: none"> <li>○ Strategic Environmental Assessments performance,</li> <li>○ Adherence to Environmental Management Systems,</li> <li>○ Updates on Environmental Policy and Greening Guiding Principles</li> </ul> </li> <li>▪ % of green purchases of total WD purchases</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annual reporting of initiatives to Executive Committee and staff</li> <li>▪ 10% of WD purchases in year 1 recognized as Green purchases, 15% in Year 2, 25% in Year 3</li> </ul>

### Key Activity #2: Invest in the development and commercialization of environmental technologies and processes in Western Canada

Outputs:	Performance Indicators:	Targets:
WD investments in projects that develop and commercialize environmental technologies and processes	<ul style="list-style-type: none"> <li>\$ Investments approved for projects funded by WD</li> </ul>	<ul style="list-style-type: none"> <li>Increase of \$ investments by 10% measured over 3 years</li> </ul>
Public and private partnerships and joint ventures	<ul style="list-style-type: none"> <li>Partnerships are created</li> <li># of partnerships or joint ventures</li> </ul>	<ul style="list-style-type: none"> <li>6 partnerships as supported by case studies analysis to demonstrate partnerships and their outcomes (successes, weaknesses and lessons learned), measured over a 3 year period</li> <li># of leveraged partnerships or \$ leveraged to be increased by 10%, measured over a three year period</li> </ul>
Attraction of new investments to R & D in environmental technologies	<ul style="list-style-type: none"> <li>\$ leveraged for projects funded for environmental technologies</li> </ul>	<ul style="list-style-type: none"> <li>\$ leveraged to be increased by 10% over a 3 year period</li> <li>6 case studies analysis may be used to demonstrate the outcomes (successes, weaknesses and lessons learned) as supplementary information</li> </ul>

Immediate Outcomes:	Indicators:	Targets:
New technology	<ul style="list-style-type: none"> <li># of new environmental technologies or processes created through projects funded by WD</li> <li>\$ Investments supporting new technologies or processes by WD</li> </ul>	<ul style="list-style-type: none"> <li>Increase from 2003 baseline</li> <li>6 case studies to demonstrate the outcomes of WD investments, measured over a 3 year period</li> </ul>
Increased R & D	<ul style="list-style-type: none"> <li>\$ invested on R &amp; D by WD</li> <li>\$ Leveraged investments supporting R &amp; D by others</li> </ul>	<ul style="list-style-type: none"> <li>Increase from 2003 baseline</li> <li>6 case studies to demonstrate the outcomes of WD investments and leveraged investments, measured over a 3 year period</li> </ul>
New networks	<ul style="list-style-type: none"> <li># of new networks concentrating on technology development</li> <li># of members to networks formed</li> </ul>	<ul style="list-style-type: none"> <li>5 new networks across the West by 2007</li> <li>Number of members per network increased by 20% from 2003 baseline</li> </ul>
New collaborations	<ul style="list-style-type: none"> <li># of collaborations created such as conferences, forums, events, workshops, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Increase from 2003 baseline</li> <li>6 collaborations as supported by case studies to demonstrate the outcomes of WD investments, measured over a 3 year period</li> </ul>

**Key Activity #3: Invest in projects that enable western Canadian communities to improve their social, environmental and economic sustainability**

<b>Outputs:</b>	<b>Performance Indicators:</b>	<b>Targets:</b>
WD investment in projects that enable Western Canadian communities to improve their social, environmental and economic sustainability	<ul style="list-style-type: none"> <li>▪ \$ Investments in projects funding a social, environmental or economic contribution (measured by the primary targeted SD area only)</li> <li>▪ # of community partner based arrangements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase from 2003 baseline</li> <li>▪ 6 community based arrangements as supported by case studies analysis to demonstrate the outcomes (e.g., 2 each social, environmental, economic), measured over 3 years</li> </ul>
Intergovernmental partnerships with communities	<ul style="list-style-type: none"> <li>▪ Partnerships are created</li> <li>▪ # of partnerships</li> </ul>	<ul style="list-style-type: none"> <li>▪ 6 partnerships as supported by case studies analysis to demonstrate the outcomes (successes, weaknesses and lessons learned), measured over a 3 year period</li> <li>▪ # of leveraged partnerships or \$ leveraged to be increased by 10%, measured over a 3 year period</li> </ul>
Attraction of new investments into communities	<ul style="list-style-type: none"> <li>▪ \$ leveraged for projects funded</li> </ul>	<ul style="list-style-type: none"> <li>▪ \$ leveraged to be increased by 10% over a 3 year period</li> <li>▪ 6 case studies analysis may be used to demonstrate the outcomes (successes, weaknesses and lessons learned) as supplementary information, measured over a 3 year period</li> </ul>

<b>Immediate Outcomes:</b>	<b>Indicators:</b>	<b>Targets:</b>
Investments in communities that contribute to social, environmental and economic sustainability	<ul style="list-style-type: none"> <li>▪ # of projects with communities that contribute to social, environmental and economic sustainability</li> </ul>	<ul style="list-style-type: none"> <li>▪ 6 WD projects with major agreements that contribute to social, environmental or economic sustainability, measured over a 3 year period</li> </ul>
Adoption of technologies and processes by communities and businesses	<ul style="list-style-type: none"> <li>▪ Communities and businesses creating and applying new technologies and applications</li> </ul>	<ul style="list-style-type: none"> <li>▪ 6 communities as supported by case studies analysis to demonstrate the outcome (best/improvement needed, successes, lessons learned, etc.), measured over a 3 year period</li> </ul>

### Key Activity #4: Provide information to western Canadian businesses on SD concepts, practices and benefits

Outputs:	Performance Indicators:	Targets:
SD Web site on Internet (including Sustainable Resources Online Tool for SMEs)	<ul style="list-style-type: none"> <li>Re-development of the SD Web site on the Internet</li> <li>Annual updates on the SD Web site</li> </ul>	<ul style="list-style-type: none"> <li>New Web site developed by Year 1, fully functional by Year 3</li> <li>Updates of Action Plan posted by August 31 annually</li> </ul>
SD Related Conferences	<ul style="list-style-type: none"> <li># of SD-related conferences</li> <li>\$ Investment approved to support SD related conferences</li> </ul>	<ul style="list-style-type: none"> <li>Increase from 2003 baseline</li> <li>Increase from 2003 baseline</li> </ul>
Access West Newsletter articles on SD	<ul style="list-style-type: none"> <li># of articles or "good news" stories related to SD</li> </ul>	<ul style="list-style-type: none"> <li>4 Articles per year to be included in Access West, measured annually</li> </ul>
Research reports	<ul style="list-style-type: none"> <li>Projects in SD related research are disseminated as they are produced (need to know to whom and by what means to disseminate)</li> </ul>	<ul style="list-style-type: none"> <li>Annual updates based on western community issues</li> </ul>

Immediate Outcomes:	Indicators:	Targets:
Use of the SD information by SMEs	<ul style="list-style-type: none"> <li>Surveyed SMEs report awareness of WD's sustainable development information</li> <li>Surveyed SMEs report using SD information provided by WD.</li> </ul>	<ul style="list-style-type: none"> <li>75% of those surveyed acknowledge awareness of SD information provided by WD, measured over a 3 year period</li> <li>Qualitative findings from the survey of SMEs related to how they have used information provided by WD, measured over a 3 year period</li> </ul>
Adoption of new SD practices by SMEs	<ul style="list-style-type: none"> <li>Surveyed SMEs changes in behaviours, buying preferences, or attitudes regarding SD concepts and applications</li> </ul>	<ul style="list-style-type: none"> <li>75% of surveyed SMEs report/demonstrate changes in behaviours, buying preferences or attitudes regarding SD concepts and applications)</li> <li>Qualitative findings from the survey of SMEs related to how they have used information provided by WD, measured over a 3 year period</li> </ul>

# Appendices

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## Appendix A: Summary of Consultation Feedback

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Western Economic Diversification Canada received some feedback on the Sustainable Development Strategy 2003. The respondents were from various sources: internal WD officers, partners, Federal Councils and the external public at large. Many elected to submit their comments on an ad hoc basis, but did appear to consider the questionnaire that was attached. The questions to consider were the following:

1. Help us get the issues right:

- In the visioning exercise WD employees stated how they envisioned Western Canada in 20 years. Do these statements reflect what you see as factors that enhance the sustainability of the West?
- WD developed a situational assessment for the West. In your view, are these the broad areas of concern for sustainability of the West? Are these realistic interventions or influenced by WD realistic?
- From the factors identified for a sustainable Western Canada and the broad situational assessment conducted, has WD got it right with the two major goals and its objectives? Where should the emphasis be placed?

**Goal 1:** To integrate sustainable development into the SME programs, services and activities delivered directly by WD or in partnership with others.

**Goal 2:** To foster a sustainable development culture within WD.

2. WD is a small department with limited resources. In relation to other federal departments with national mandates in the areas of environmental and social aspects, is WD better to selectively partner with others leading sustainable initiatives in Western Canada, or to lead sustainable development activities in the West?

3. What sustainable development challenges does your organization experience that may be an area where WD could assist?

4. In what areas would you be interested in partnering/working with WD?

5. Do you have any other comments?

Largely, the comments consisted of observations and perspectives dependent on how the respondent is linked to the department. Rural based organizations gave valuable insight into the rural migration and stress on traditional sectors, with an added strain on urban infrastructure. Those in the management group commented on the procedures and favoritism shown to economic projects and observed few projects are undertaken with economic outcomes as a secondary focus.

Other comments received were on the importance of preserving land and water resources. The perspective appears to reside in finding the balance between adopting innovation without sacrificing the land and water resources currently enjoyed in the West.



It was suggested that a further emphasis be placed on encouraging industry to develop and adopt new environmental technologies to support innovation advancement.

It was also suggested that WD support western industries to become world leaders in sustainable practices associated with resource extraction given our resource dependency. The last two responses go hand in hand: respect for the land while implementing new innovative methods to explore its riches.

One comment that came forward was the issue of picking winners and runners up in priority setting. Although WD is not in the business of picking individual commercial business winners and losers, it supports investments that increase competitiveness and productivity of the western economy. For example, the respondent stated “while WD’s focus may be on SME and emerging high tech businesses, any serious SD plan will have to assess the industries which will be the (short term) economic winners and losers under SD and adjust plan accordingly... if we are serious about moving to a hydrogen economy, what plan do we have for finding new work for all those persons in the oil industry?”

This issue is just as important to economic diversification as promotion of hydrogen business - they go hand in hand.”

These are issues that do impact the West and moves us into a more strategic long-term planning stream to balance the effects of innovation and sustainable development.

One respondent chose to criticize the method in which SDSs are measured. They said there was a disconnect between quantitative measurements and the qualitative measurements which should be the focus of an SD strategy. This comment inspired the SD teams to develop objectives and performance measurements that are qualitative in nature to alleviate this perspective, while better demonstrating the impacts WD has made to sustainable development.

Since the external consultation, the SD team within WD expanded the two goals presented for external consultation to four goals to more accurately reflect the goals of the SD strategy.

Western Economic Diversification Canada would like to thank all those who took the time to read and respond to the SDS 2003 Consultation.

## Appendix B: Targeting Programs to Help Businesses Succeed

(excerpts from *Working with the West 2003*)

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Western Economic Diversification Canada (WD) has created a number of programs that help small businesses access the resources and skills they need to succeed.

**Financing** – The Loan Investment Fund Program addresses the gap between traditional bank lending and the availability of venture capital for small businesses. Working in partnership with financial institutions, the program provides an alternative source of capital through 20 diverse loan funds targeting specific industry sectors and groups.

By contributing to a loan-loss reserve to offset a portion of the risk, WD encourages financial institutions to provide loans to higher risk clients who would otherwise have trouble accessing capital.

**Business Development** – Western Economic Diversification Canada offers two business development programs to help small businesses hire the expertise they need, but otherwise couldn't afford. The First Jobs in Science Program provides funding to help businesses build technology skills cost effectively. By hiring post-secondary science and technology graduates to commercialize new technologies and develop scientific techniques to increase productivity, businesses gain technological expertise and new graduates gain valuable work experience. In addition, the International Trade Personnel Program enables enterprises to capitalize on the tremendous growth in international trade by helping them hire well-trained recent graduates to help develop global markets.

### Delivering Comprehensive Business Services

WD's Western Canada Business Service Network (WCBSN) was established to ensure western Canadians have direct access to the products and services that support their economic success. The network is a partnership of various organizations that provide over 100 points of service where entrepreneurs across the West can find what they need to establish a business or make it grow. Services range from marketing information and funding options to counseling and support.

**Across the West** – As part of WD's WCBSN, Canada Business Service Centres (CBSCs) provide single, seamless gateways to information on an extensive array of government and non-governmental programs and services. CBSCs provide seminars, on-line business products, and Information Guides on a wide range of business topics. Hub offices are located in Winnipeg, Saskatoon, Edmonton and Vancouver. A broad network of regional access sites and Aboriginal service sites extend CBSC services into rural and northern communities.

**In Our Rural Communities** – All of WD's 90 volunteer-led, non-profit Community Futures Development Corporations (CFDCs) across Western Canada have a common goal - to build stronger communities by creating local solutions to local challenges. They have helped bring more prosperity to communities outside of major urban centres by delivering services that include strategic economic planning, technical and advisory services, loans to small and medium-sized enterprises and self-employment programs aimed at youth and entrepreneurs with disabilities.

**For Women Entrepreneurs** – Despite the fact women lead more than 300,000 western Canadian businesses and are starting small businesses at twice the rate of their male counterparts, they continue to face unique challenges. WD helps remove the barriers to women’s success by providing customized business advice and information, networking and mentoring and access to capital through Women’s Enterprise Centres in each of the western provinces.

**For Francophone Entrepreneurs** – Francophone Economic Development Organizations (FEDOs) enhance the vitality of francophone communities in Western Canada by assisting in their economic development. Located in each of the four western provinces, FEDOs provide enhanced services to Francophones, including training, business and community economic development, access to capital, information services, marketing advice, networking and mentoring.

**For Aboriginal Entrepreneurs** – Geographic isolation, lack of business networks and limited awareness of information sources continue to be barriers to the full economic participation of Aboriginal peoples. The Aboriginal Business Services Network (ABSN) helps to increase the ability of Aboriginal people to access capital, establish and grow their businesses. By providing customized business counselling and advisory services via the internet, ABSN is helping to increase the number, size and market reach of Aboriginal businesses in the West.

**Creating a Sustainable Future** – WD delivers a number of programs designed to improve local infrastructure in urban and rural communities throughout the West, strengthen economic development and sustainable growth, and assist communities in adjusting to changing and often very challenging economic circumstances.

**Infrastructure** – WD delivers the Infrastructure Canada Program (ICP), a \$550 million federal investment in the West, which levers matching funds through partnerships with provincial and municipal governments. The ICP improves municipal infrastructure in urban and rural communities, and helps create a better quality of life for Canadians through investments that protect the environment and support long-term economic growth. The program focuses primarily on projects such as water and wastewater systems, solid waste management and recycling, and capital expenditures to retrofit or improve the energy efficiency of buildings and facilities owned by local governments. Since October 2000, WD has approved \$113 million in funding for 493 projects under the Infrastructure Canada Program.

**Economic Development Agreements** – Western Economic Partnership Agreements (WEPAs) promote economic growth and employment opportunities in Western Canada. Cost shared on a fifty-fifty basis, these federal-provincial agreements focus on areas of strategic mutual interest and have resulted in a \$160 million investment in the West over five years. Projects funded under the WEPAs have leveraged \$458 million in private sector investment and resulted in an estimated 120 new business ventures. Nearly \$500 million of capital has been invested in buildings and equipment, and more than 1,300 fulltime jobs have been created.

**Urban Development Agreements** – These innovative agreements enable WD to build partnerships among federal, provincial and municipal government that lead to better coordination of economic and social activities to address complex issues in urban areas, especially in inner-cities. To date, urban development agreements have been signed in Winnipeg, Edmonton and Vancouver. In Vancouver alone, WD has contributed about \$7 million, matched by funding from the community and other governments, over the last three years to improve conditions for business and employment in Vancouver’s Downtown Eastside.

**Severe Economic Adjustment Programs** – WD delivers a number of programs designed to mitigate the impact of extraordinary events, like the closure of the military base in Moose Jaw, Saskatchewan, the Red River Valley flood in Manitoba and the severe downturn in the British Columbia fishing industry. In 2003, WD began to deliver the western Canadian portion of the Softwood Industry Community Economic Adjustment Initiative (SICEAI) in partnership with Community Futures Development Corporations.

This \$110 million national federal assistance package is aimed at supporting economic development and diversification in communities across Canada directly impacted by the softwood lumber trade dispute.

## **Appendix C: Case Study Sustainable Development in Action**

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### **Revitalizing Vancouver's Downtown Eastside**

At WD, we are particularly proud of the broad range of business and community revitalization initiatives launched in Vancouver's Downtown Eastside (DTES) in June 2002. These initiatives will help to create a safer, cleaner, more business-friendly environment in one of that city's most historic neighborhoods. WD is working on these initiatives in partnership with Health Canada, other federal departments, the provincial government of British Columbia, the City of Vancouver and the Vancouver Richmond Health Board.

The Vancouver Agreement recognizes that economic growth cannot occur in isolation. Complex problems – such as those experienced in the DTES – require a multi-faceted approach that acknowledges how a community's health and social well-being affect its economic viability. Fortunately WD is well suited to the challenge, and is expert in forming partnerships to leverage the resources necessary to achieve success.

### **New Programs Increase Awareness and Build Pride**

Neighbours First is a three-year program that will train, equip and supervise volunteers to patrol the Downtown Eastside (DTES) and keep the streets clean. The program provides training for residents and businesses about security, safety and hospitality. It will also provide visitors with greater access to information, and promotes the DTES to increase awareness among visitors and residents of the changing environment in the area. Neighbours First is funded by all three levels of government and several local community organizations.

The Community Historical Markers project builds on what was achieved through the successful joint WD and City of Vancouver Living Footprints pilot project.

The project provides street people with pre-employment training and work experience, while building pride in the area's rich and colourful history.

### **Safer Streets Improve Business Environment**

Efforts to stimulate economic development in the DTES have been hindered by adverse street conditions. In order to create a more favourable environment for business revitalization, a series of Business Development initiatives – designed to make tourists, shoppers, businesses and their employees feel safer in the DTES – were also announced. These include improved street lighting, physical improvements to streets to enhance heritage sites and encourage tourism, and upgrading the security of parking lots.

Economic revitalization efforts will also support training programs for Single Resident Occupancy hotel managers and tenants to improve living and working conditions. A business advisor will help stimulate economic growth by assessing the training needs of residents interested in owning or managing a business, and helping residents develop proposals for new businesses.

These projects are an important signal to the Downtown Vancouver business community that positive change is occurring. The City of Vancouver, EasyPark and community partners joined WD on these initiatives.

### **Skill Development Improves Quality of Life**

WD also provided funding to a non-profit society, the Greater Vancouver Housing Corporation, to renovate space for a Lifeskills Centre in the Downtown Eastside.

This daytime education centre provides pre-employment skills that will help prepare people on the street for full employment. Links to health and community services – including addiction treatment, mental health services, health and education, and assistance with housing, transportation and legal issues – will help improve the prospects of some of the areas most disadvantaged residents.

Finally, WD announced funding to the Vancouver General Hospital Society for the purchase of new software at the leading edge of integrated patient care. The software, PARIS, tracks patients so that, no matter who sees them, information about the services they receive is known. PARIS will allow a more comprehensive approach to monitoring services and ensure that gaps and overlaps are removed in addressing the needs of people in severe living conditions.

### **Partnerships the Key to Healthier, More Sustainable Communities**

These new initiatives will build on the progress already achieved under the Vancouver Agreement in the areas of economic development, improvements to the neighbourhood, housing, and health and safety.

”By coordinating our efforts and working with the community over the last two years, we have laid a strong foundation for a healthy and safe community,” said former WD Secretary of State Stephen Owen. “This unique partnership is giving a much-needed push to economic revitalization of the Downtown Eastside and creating employment opportunities for its residents. It puts people first.”

Western Economic Diversification Canada is proud to be part of the shared leadership that is helping create a more sustainable community and build a better quality of life for residents of the Downtown Eastside. It’s a new approach to inner city revitalization that may well become an important model for all of Canada, and cities around the world.

## Appendix D: Evaluation of 2000 WD SDS

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### Purpose and Scope

1. To provide senior management with an independent assessment of whether WD met its obligations to Sustainable Development Strategy (SDS) 2000.
2. To examine the development and implementation of SDS 2000 from late 2000 to July of 2003.
3. To inform the directions to be taken for SDS 2003.

### Methodology

A series of evaluation questions to address the relevance, success and effectiveness of SDS 2000 was developed based in consultation with the Evaluation Project Team at WD, and the Terms of Reference for the Evaluation. The following methods were selected to inform our understanding:

### Document Review

Documents were chosen in consultation with the WD Evaluation Project Team to reflect expectations of the Commissioner of the Environment and Sustainable Development (CESD) for SDS 2000 and 2003 as well as WD's priorities.

### Telephone Interviews

Interview guides were developed in consultation with the WD Evaluation Project Team. Interviews were conducted with:

- 7 Green Team members (primarily officers responsible for procurement and administrative office operations)
- 7 Sustainable Development Implementation Team (SDIT) members (primarily project officers)
- 5 project officers and managers that do not work on either SD team, and;

- 1 consultant from Innovative Management Solutions, Inc. who was involved in the development of WD's SDS 2000.

### Data Analysis

Interview data was grouped according to the main question areas for the evaluation, such as examples of the successful implementation of SDS 2000. Documents and interviews were analyzed by separate researchers and then synthesized. That is, multiple data sources were brought together to verify that information was accurate and to provide a more balanced picture of SDS 2000.

### Findings

Findings are discussed with regard to three main questions: Was SDS 2000 **relevant** in terms of what it was trying to achieve? Was WD **successful** in implementing SDS 2000? And, was WD's approach to implementation **effective**?

### Relevance

Findings on relevance included:

- WD's approach to writing SDS 2000 was systematic and care was taken to address all of the CESD's expectations.
- WD's mandate is complementary to the goals outlined in SDS 2000.
- Components of the *Action Plan Details* (goals, objectives/outcomes, outputs, activities and their associated performance indicators and targets) were often defined at a level inconsistent with the specifications outlined by the Treasury Board Secretariat (TBS).
- The Strategy was short-term in focus and did not focus on areas where WD can make the biggest impact (i.e. projects and partners external to WD).

- Performance indicators were not aligned with activities and outcomes, and the specified targets were too rigid to allow for an accurate measurement of the progress on the Strategy to date.

## Success

Findings on success included:

- Although an environmental management system (EMS) has been written, full implementation of it may have been ambitious given the associated learning curve. In addition, the EMS is not based on a full review of the impacts of WD's operations and policies.
- A number of activities contributed to making progress toward goals although WD had difficulty quantifying their success. For example, problems with defining sustainable SD projects have meant that WD cannot fully account for these types of projects.
- The WD Executive expressed support for the sustainable development file, but this support was not as visible to employees as it could have been.
- There were a number of activities in which WD was already engaging that support WD's sustainable SD goals (i.e., the current method of funding projects naturally contributes to the integration of SD into programs and services).

## Effectiveness

Findings on effectiveness included:

- Partnerships have been used well to promote social sustainability (e.g., partnerships built for the Vancouver Agreement) and there are a number of projects and potential partners that are contributing to environmental sustainability (e.g., with Fuel Cells Canada). These partnerships, however, have not been quantified as part of the Strategy.
- The Green Team has been effective in implementing best "greening" practices in WD offices. Examples include buying new recycle bins for all offices, encouraging energy efficiency and waste reduction in the office and sending out "green tips" via e-mail to all WD employees. Their challenge now is to maintain best practices and further develop a sustainable development culture.
- The Sustainable Development Implementation Team (SDIT) has reported a change in how WD thinks about projects that it funds, now focusing on long-term sustainable outcomes.
- At present, the SDIT team may not be structured to allow for effective delivery of the Strategy. Not all employees are given dedicated time to work on the SD file, and some SDIT members feel that the Terms of Reference does not clearly outline their roles.



## Lessons Learned and Future Directions

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Based on the findings, the recommendations for SDS 2003 are:

**Recommendation #1:** In writing the 2003 SDS, it is recommended that WD conduct an issue scan that will identify areas where WD can have the biggest impact on sustainable development.

**Recommendation #2:** It is recommended that when writing the SDS 2003, documents written by the Treasury Board Secretariat (TBS) on the development of a RMAF be consulted along with the Commissioner's expectations for the third round of strategies. In particular, it is recommended that WD focus on the following when writing SDS 2003:

- Developing a logic model or results chain as a means of ensuring that a long-term focus is explicit;
- Defining goals, outcomes/objectives, outputs, activities and their associated performance indicators and targets in adherence to TBS specifications; and
- Ensuring that outputs and outcomes are measured, that qualitative measures are considered (especially for outcomes), and that ongoing measurement is feasible given the limited resources available within WD to dedicate to the performance monitoring of sustainable development.

**Recommendation #3:** It is recommended that managerial support for sustainable development be expressed through recognition for sustainable development initiatives.

**Recommendation #4:** It is recommended that an inventory of current practices and projects that are related to sustainable development be compiled and used to inform WD staff and partners, the Commissioner, and future directions for WD's sustainable development strategies. It is further recommended that this inventory and any resulting identification of best practices or formulation of policies be disseminated through WD's public website as well as through internal mechanisms, such as newsletters.

**Recommendation #5:** It is recommended that SDIT members have the sustainable development file written into their work plan that is attached to their job description, and thus, be accountable for completing designated activities related to the sustainable development strategy. It is further recommended that SDIT members receive training in sustainable development, and be responsible for the communication of the Strategy.