

# **Western Economic Diversification Canada**

**2005-2006**

**Report on Plans and Priorities**

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Stephen Owen  
Minister of Western Economic Diversification  
and Minister of State (Sport)

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## **SECTION I – OVERVIEW**

## Minister's Message

Since 1987, Western Economic Diversification Canada (WD) has worked with, and on behalf of, western Canadians to address a wide range of issues that affect the region's long-term prosperity and the ability of its communities to prosper socially, economically, and environmentally.

To ensure WD's efforts remain relevant and effective, we have made modifications to our planned strategic outcomes. Collectively, the department's three strategic outcome areas,

- Policy, Advocacy & Coordination,
- Sustainable Communities, and
- Entrepreneurship & Innovation,

will form the foundation of a more successful, stable and sustainable western economy.

Under the first strategic outcome, Policy, Advocacy & Coordination, we have strengthened the department's policy capacity to enhance our role in the areas of advocacy and coordination. WD supports research that builds knowledge and understanding of western issues; undertakes advocacy activities to ensure western needs are taken into account in national policies and programs; and collaborates with private and public sector partners to ensure our efforts are coordinated and that maximum benefits accrue to western Canadians. All of these activities support our other two strategic outcomes.

Our second strategic outcome, Sustainable Communities, is directed at activities that ensure social, economic and environmental considerations are taken into account in initiatives designed to foster community economic development. By focusing on triple bottom line benefits delivered to Canadians, we move away from the old ways of only looking at financial inputs. We will continue to collaborate with Industry Canada and other Regional Development Agencies to design and deliver regional and community development programs to help western Canadian communities make a successful transition into the 21<sup>st</sup> century sustainable and growing economy. And we will work with Canadian Heritage and the provinces of Alberta and Saskatchewan on capital legacy, celebration and learning projects to celebrate the 100<sup>th</sup> anniversary of their place in Confederation.

Building on the success of accords like the Vancouver Agreement and the Winnipeg Partnership Agreement, WD is pursuing new or expanded urban development agreements that will help Western Canada's major cities implement sustainable solutions to the challenges of urbanization. The dramatic shift in population density has brought these issues to the forefront in many of the world's nations, and two major international events will soon put Canada's – particularly Western Canada's – leadership in sustainability into the global spotlight.

In 2006, Vancouver will host the United Nations World Urban Forum. WD played a key role in securing the Forum for Canada and is chair of the Vancouver Working Group, which is preparing the event program. Held every two years, the Forum is an opportunity to discuss international cooperation in urban development and sustainable urbanization, and to start the development of models that can be used to address urbanization issues in cities around the world.

In 2010, Vancouver will again host the world at the Olympic and Paralympic Winter Games. The 2010 Games will be the first “sustainable” Olympics, incorporating socially and environmentally sustainable principles into all aspects of planning and operations. From green buildings and recyclable materials to renewable energy use, protection of natural landscapes and strong engagement of the social economy, these Games will showcase Canada’s deep commitment to sustainability.

Our final strategic outcome area, Entrepreneurship and Innovation, highlights WD’s continuing commitment to a competitive and expanded business sector in Western Canada and a strengthened western Canadian innovation system.

Under Entrepreneurship, WD supports the Western Canada Business Service Network, which is a leading provider of services for small- and medium-sized enterprises. With more than 100 points of service in communities across the West, the network partners have proven themselves an invaluable source of information, advice and financing for western Canadian entrepreneurs. This relationship will be essential as WD moves toward implementing a variety of social economy initiatives, announced in the 2004 and 2005 Federal Budgets, that are aimed at strengthening the economy and improving the quality of life in Canadian communities.

WD is focusing its internal resources on broader, more strategic assistance to key sectors of the economy. This includes promoting new foreign direct investment into Western Canada, enhancing the presence of western businesses in key domestic and global markets and supporting collaborative ventures with various industry sector associations.

A recent study by Ference Weicker & Company regarding WD’s role in western innovation found that the department has “*played a strong role in promoting innovation . . . by acting as a facilitator and catalyst that makes strategic investments. The roles undertaken by WD are highly valued by other innovation system players.*” In fact, most members of the western innovation support system who were surveyed believe there would be a significant negative impact if WD were to no longer place a high priority on innovation.

WD is committed to continuing its work with western Canadian partners to build on the region’s growing strengths in emerging technologies such as life sciences and environmental technologies. In particular, we will be placing an increased emphasis on the commercialization of new technologies, to unleash the economic, social and environmental benefits of innovation. Together, these initiatives will ensure that Western Economic Diversification Canada is able to continue building a stronger West, and a stronger Canada.

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The Honourable Stephen Owen  
Minister of Western Economic Diversification  
and Minister of State (Sport)

## Summary Information

**Reason for Existence** – Western Economic Diversification Canada (WD) was established in 1987 to help lessen the West’s (British Columbia, Alberta, Saskatchewan and Manitoba) economic dependence on natural resources. Under the *Western Economic Diversification Act, 1988*, the department is mandated to “promote the development and diversification of the economy of Western Canada and to advance the interests of Western Canada in national economic policy, program and project development and implementation.” To do this, WD organizes its programs and services to achieve the following strategic outcomes:

- policies and programs that support the development of Western Canada (Policy, Advocacy and Coordination);
- economically viable communities in Western Canada with a high quality of life (Sustainable Communities); and
- a competitive and expanded business sector in Western Canada and a strengthened western Canadian innovation system (Entrepreneurship & Innovation).

WD’s strategic investments in these areas will help to fulfil WD’s vision of **A stronger West in a stronger Canada.**

### Financial Resources (\$ thousands)

2005-2006	2006-2007	2007-2008
503,784	189,966	178,919

### Human Resources (Full Time Equivalents)

2005-2006	2006-2007	2007-2008
392	360	360

To deliver on the department’s strategic outcomes, and taking into consideration both external and internal factors, WD has identified strategic priorities for the planning period. These are described briefly on the following page and plans for implementing them are described in greater detail on pages 10 – 14.

Departmental Priorities	Type	Planned Spending (\$ thousands)		
		2005-2006	2006-2007	2007-2008
<b>Increase investment and support for the commercialization of new technologies in Western Canada</b> with a particular emphasis on emerging clusters, such as environmental technologies and life sciences/health innovation.	Ongoing	18,580	18,580	18,580
Enhance <b>community development</b> by implementing the new Municipal Rural Infrastructure Fund and engaging in the emerging cities and communities agenda through urban development agreements.*	New	N/A	N/A	N/A
<b>Promote trade and investment</b> , including support for the US Enhanced Representation Initiative (ERI) and follow up to the WD led Western Technologies Study tour and other opportunities in Asia-Pacific and Europe.	Ongoing	7,166	7,776	7,842
Implement <b>Social Economy</b> initiatives, as announced in Federal Budget 2004, including building capacity within the social economy, and improving access to capital and federal government programming by social enterprises.	New	6,750	7,500	5,000
<b>Create an advocacy strategy and continue to strengthen WD policy capacity</b> to support WD's efforts to influence national decisions on behalf of western Canadians.	Ongoing	N/A	N/A	N/A
<b>Stabilize the Western Canada Business Service Network</b> by negotiating and entering into new multi-year agreements.	Ongoing	28,732	28,732	28,732
<b>Implement key tenets of the <i>Public Service Modernization Act</i></b> including implementation of an Informal Conflict Management System and establishment of HR staffing guidelines and policies.	New	273	111	N/A

\* Planned spending does not include Grants & Contribution resources administered by WD on behalf of Infrastructure Canada, as this amount (approximately \$142 million over three years) will be reported by Infrastructure Canada.

# Departmental Overview

## WD Vision: A stronger West A stronger Canada

### Summary Information - Internal and External Factors

Many factors operating individually and in combination are influencing the department's plans and priorities for 2005-06. Some of the external factors can be identified and incorporated at the beginning of the planning cycle while other unanticipated factors require adjustments during the course of the year.

One of the most important determinants is the policy agenda of the Government of Canada. WD's annual planning process provides an opportunity to ensure that the activities of the department continue to support the Government of Canada's agenda as outlined in the *Speech from the Throne*, and the Federal Budget. More specific factors are introduced through Central Agency directives such as the Program Activity Architecture, the Management Resources and Results Structure, the *Public Service Modernization Act* and the work of the Auditor General. Another important government factor impacting the department's fiscal plan is the Cabinet Committee on Expenditure Review that is mandated to undertake a full review of all government expenditures.

External economic considerations also have an important impact on WD's plans and priorities. Western Canada's economy remains reliant on natural resource production compared to the more manufacturing oriented economies of other regions. The result is a high susceptibility to boom and bust cycles caused by price changes in the international marketplace where natural resource products are sold. More must be done to diversify and develop the western economy and to create a more stable economic environment by both moving our natural resource exports from commodities to value-added products, and by making a transition to the knowledge economy.

The Canada West Foundation has identified some additional factors that will affect the long-term prosperity of the region. These include the need to provide modern transportation infrastructure, the need to ensure the competitive positions of rural areas and major cities, and the need to build and retain human capital. The need for enhanced human capital to address looming labour shortages is especially important to Western Canada's Aboriginal population. The West is home to approximately two-thirds of Canada's Aboriginal population but Aboriginal people are under-represented in the western labour force. Ensuring that Aboriginal people are in a position to share in Western Canada's economic prosperity and able to participate more fully in the work force is an important part of WD's activities.

Natural and economic disasters can often impact the department's activities. WD has been called upon to assist in developing response measures and delivering federal government assistance to victims of floods, fires, lumber disputes and beef border closures, Mountain Pine Beetle infestation, and fish stock depletion.



The emergence of knowledge driven industries and technological change is another factor having a major impact on the department's plans and priorities, and in many respects is driving WD's innovation agenda. Emerging industries based on technologies such as fuel cells, nanotechnology, neutraceuticals, and medical imaging and devices are creating opportunities for economic growth and development that is being facilitated by WD.

The evolving importance of partnerships has a heavy influence on WD's plans and priorities. Solutions to complex challenges in developing the western economy and providing a higher quality of life for its citizens can only come from the combined efforts of a number of organizations working together. Community groups, all orders of government, the business community, and academic and research institutions play important roles in devising ways to seize emerging opportunities and realize upon the region's ultimate potential. WD's unique approach to working with communities to develop local solutions has resulted in many success stories across the West.

A final factor is the influence of important national and international events. For example, the United Nations World Urban Forum that will be held in Vancouver in 2006 is providing the opportunity for WD to contribute to an improved quality of life in urban communities around the world. The 2010 Olympic and Paralympic Winter Games, also in Vancouver, is a focal point for departmental activity in ensuring the economic benefits of the games are realized to their fullest potential. Centenary capital legacy projects, administered by WD, will commemorate the 100<sup>th</sup> anniversary of Alberta and Saskatchewan joining Confederation.

## **Operating Environment**

WD's mandate is primarily delivered through grants and contributions (G&C) under a variety of programs. Key among these is the Western Diversification Program (WDP) whose terms and conditions have been used as the basis to renew the Western Economic Partnership Agreements (WEPAs). WEPAs are multi-year, joint federal-provincial initiatives aimed at promoting coordinated economic development in each of the four western provinces. The department's long term funding base has been stabilized, enabling more effective multi-year planning. WD's mandate allows it to take a flexible and innovative approach to working with a wide network of partners in order to make strategic investments in promoting economic development and diversification in the West.

Since 1995, WD has directed its core resources towards working in collaboration with many partners including all levels of government, universities, financial institutions, the private sector, and the not-for-profit sector. Key partners in the not-for-profit sector include members of the Western Canada Business Service Network (WCBSN), which is comprised of over 100 points of service including Community Futures Development Corporations, Women's Enterprise Initiative (WEI) Centres, Francophone Economic Development Organizations (FEDOs) and Canada Business Service Centres (CBSCs).

The WCBSN was established to ensure that western Canadians have access to capital and services that support their economic success. This network is a partnership of organizations that help entrepreneurs across the West, in both urban and rural communities, find what they need to establish a business or make it grow. The members of the WCBSN provide business information, counselling and planning advice, and some of the members also provide financial assistance to entrepreneurs. In addition, community economic development (CED) initiatives are undertaken by many of the members to provide a grassroots solution to local problems.

This approach has leveraged other investments and helped to support the establishment and growth of SMEs, the growth of knowledge-based industries, and the economic inclusion of traditionally economically disadvantaged groups such as women, youth, Aboriginal people, francophone entrepreneurs, and new Canadians.

## **WD's Strategic Outcomes**

WD's efforts are concentrated in three distinct but interrelated areas leading to the following strategic outcomes:

- policies and programs that support the development of Western Canada (Policy, Advocacy and Coordination);
- economically viable communities in Western Canada with a high quality of life (Sustainable Communities); and,
- a competitive and expanded business sector in Western Canada and a strengthened western Canadian innovation system (Entrepreneurship and Innovation).

To a large degree, achieving these strategic outcomes will require a multi-year approach. The department is developing a performance measurement strategy to measure results over time, looking at both output measures annually and outcome measures that span more than one year.

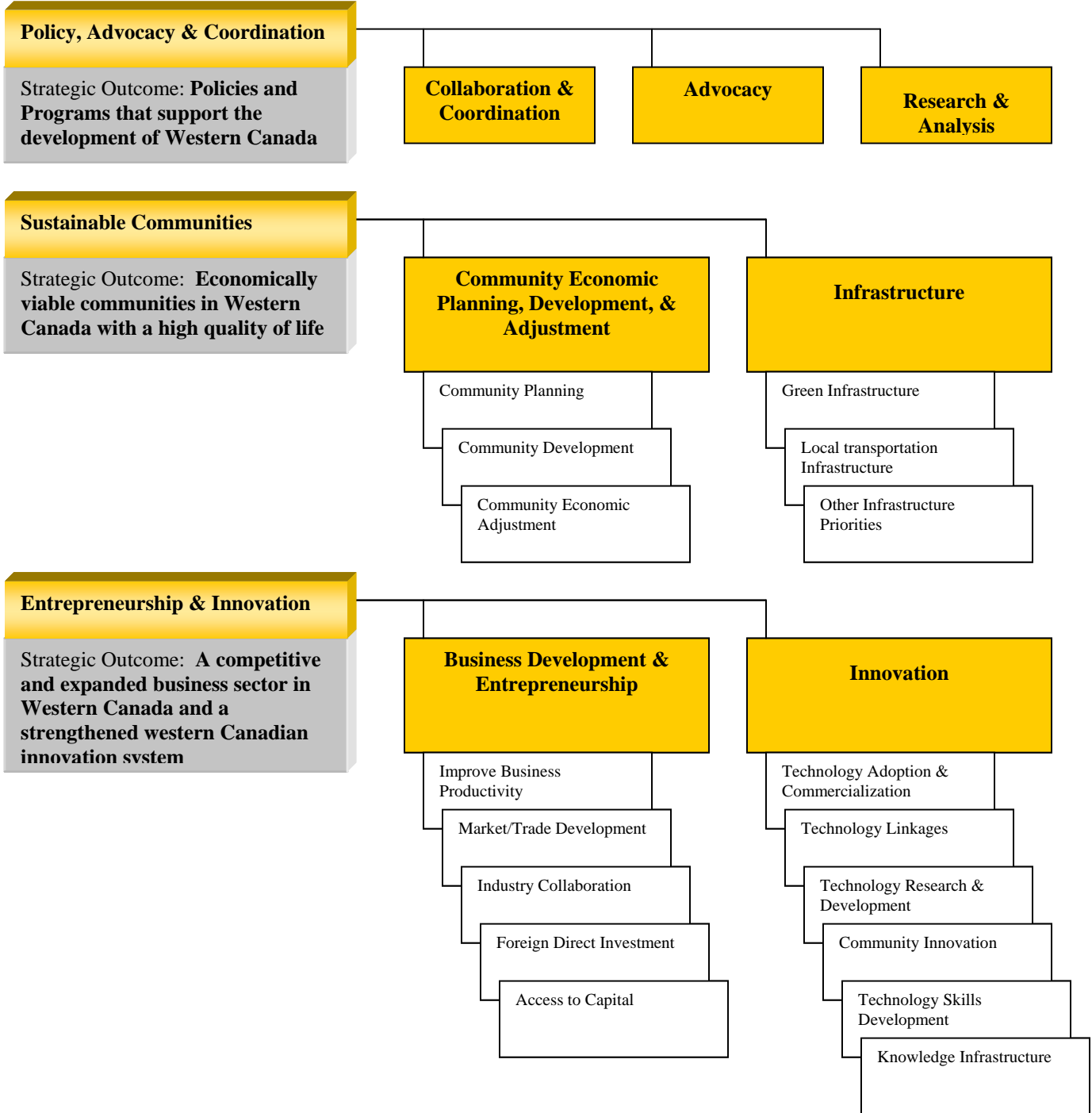
These strategic outcome statements have been re-aligned from previous plans to conform to Treasury Board of Canada Secretariat (TBS) new reporting requirements under the Management Resources and Results Structure (MRRS) and the Program Activity Architecture (PAA).

The following is an illustration of WD's Program Activity Architecture. The PAA provides a structure that reflects how the department manages its budget to achieve results and will be the basis on which WD reports back to Parliament in its *Departmental Performance Report*. The PAA also demonstrates how program activities and sub-activities are aligned with WD's Strategic Outcomes.

# WD's Program Activity Architecture

## WD Vision – A stronger West A stronger Canada

**WD Mandate** - To promote the development and diversification of the western Canadian economy, coordinate federal economic activities in the West, and reflect western Canadian interests in national decision-making.



## Departmental Priorities

WD remains committed to focusing efforts on programs and investments that strengthen the western Canadian innovation system, foster a competitive and expanded business sector in the West, and that build sustainable communities. To ensure that the department's efforts in these areas remain relevant and effective, internal policy capacity has been strengthened to enhance WD's role in advocacy and coordination.

Through the department's review of external and internal opportunities, the strategic priorities described below have been identified. These priorities contribute towards the realization of departmental strategic outcomes. Program priorities focus on ways to improve the effectiveness of the department's program base, thus achieving better results for Canadians. Management priorities focus on improving management practices, controls or infrastructure within the organization. The following priorities, and plans for delivering on them, are critical to WD's progress:

### **Program Priorities:**

#### **A. Increase investment and support for the commercialization of new technologies in Western Canada with a particular emphasis on emerging clusters, such as environmental technologies and life sciences/health innovation:**

Technology commercialization is a long-term priority of WD. Over the planning period, WD will place a priority on commercialization of technology developed in the health/ medical sector, in environmental technologies, as well as in other emerging clusters.

In the health/medical sector, WD will focus on building regional capacity through initiatives that enhance technology commercialization in research hospitals, universities, technical colleges, and federal and provincial research institutions. Specific capacity building activities could include development of networks, demonstration projects and support for skill building. The emphasis on health technologies results from WD's support to the Canada West Health Innovation Council. Sectors such as functional foods and nutraceuticals and medical devices hold potential for commercialization initiatives.

In environmental technologies, WD's efforts will be focused on building upon the work initiated by the Western Canadian Environmental Technology Forum held in Vancouver in December 2003. At the Forum, the Prime Minister invited western environmental technology leaders to make concrete recommendations to the Government of Canada. WD supported industry leaders across the West to develop a response, and has forwarded industry recommendations to the Prime Minister that identify new regulatory regimes, targeted fiscal incentives, and funding for demonstration projects as the top priorities for encouraging the growth of a strong environmental technology sector in Western Canada. WD remains committed to promoting environmental technologies by investing in technology commercialization as well as promoting partnerships amongst various stakeholders.

**B. Enhance Community Development by implementing the new Municipal Rural Infrastructure Fund (MRIF) and engaging in the emerging cities and communities agenda through urban development agreements.**

WD delivers infrastructure funding to ensure that western Canadian communities, large and small, are sustainable, competitive and healthy centres for economic growth and innovation. In Budget 2003, the Government of Canada established the Municipal Rural Infrastructure Fund (MRIF) and committed \$1 billion to help meet the needs of smaller communities.

WD will deliver a total of \$278 million in MRIF support to western Canadian communities over the life of the program. \$142 million of this total is expected to be delivered within the next three years. Through the construction, renewal, expansion or material enhancement of infrastructure throughout Western Canada, MRIF will provide a balanced response to local infrastructure needs in urban and rural communities and will build the foundation for sustained long-term economic growth in the 21st century. MRIF is expected to improve and increase the stock of core public infrastructure in areas such as water, wastewater, cultural, and recreation.

Once agreements have been signed between Infrastructure Canada and the four western provinces, WD will be responsible for the delivery of MRIF in the West, building on the success of implementing previous infrastructure programs. Implementation includes co-chairing, with provincial counterparts, the Management Committees in each province responsible to administer and manage the MRIF.

As the MRIF is being delivered under an other government department (OGD) suspense account, it is expected that Infrastructure Canada will report on the resources used for delivery of this program in the Estimates and Public Accounts.

**C. Promote trade and investment, including support for the US Enhanced Representation Initiative (ERI) and follow up to the WD led Western Technologies Study Tour and other opportunities in Asia-Pacific and Europe:**

Western Canada needs to be well positioned to compete in the US market, so critical to continued prosperity in the West, and in emerging global markets such as China, India and others. The department's trade and investment strategy will focus on enhancing and diversifying existing trade and investment opportunities and increasing Canadian presence in new emerging markets. Efforts will be directed towards the Enhanced Representation Initiative (ERI), enabling WD to continue its work with the Canadian Consulates in the United States of America (USA), the Western Canada offices of International Trade Canada and the western provinces, to initiate specific ERI projects that are supportive of western priorities. With respect to China, the department will continue to support the development of British Columbia and Western Canada as North America's "Gateway to Asia." There are vast opportunities in the Asia-Pacific and European markets and it is essential that Western Canada be well positioned to participate.

To achieve these priority targets, the department will work closely with the western provinces, with its federal partners in International Trade Canada and other departments, and

with industry associations. WD will consider strategic support for trade missions, for investment attraction and retention initiatives, for targeted western research on trade and investment, and for participation at key international events and trade shows. The department will assist companies to prepare for international opportunities by continuing to play an active role in Team Canada Inc (TCI) and by ensuring that export advisory services are readily available to SMEs in Western Canada through the Western Canada Business Service Network.

**D. Implement Social Economy initiatives, as announced in Federal Budget 2004, including building capacity within the social economy, and improving access to capital and federal government programming by social enterprises:**

The Government of Canada has emphasized the importance of the social economy and social economy organizations for ensuring a strong economy and high quality of life in Canadian society. Federal Budget 2004 announced four specific initiatives designed to support the social economy in Canada:

- capacity building;
- financing;
- improving access by social economy organizations to federal programs/services for business; and,
- support for research on the Social Economy.

With the exception of the new research initiative, WD is responsible for implementing these initiatives in Western Canada.

During the upcoming fiscal year WD will invite social economy organizations to submit proposals for financial support to enhance their capacity to pursue and/or sustain social economy enterprises that contribute to the social and/or environmental goals of the community. This new funding will build on existing support for social economy organizations provided by WD and our partners, such as assistance to develop the technical site for the Social Purchasing Portal (SPP) in Vancouver, and support from Winnipeg River Brokenhead CFDC for Mrs. Lucci's Second Hand Store and Community Resource Centre. The SPP provides an on-line environment for business-to-business procurement transactions to leverage community economic development activity. Mrs. Lucci's is a viable business that also provides skills training to students and unemployed youth, delivers training and social development programming, and reinvests a portion of the profits back into the community.

In addition, WD will provide social economy enterprises with increased access to loans and/or patient capital. New funding will be used to expand financing currently available to social enterprises in Western Canada and to encourage new models and partnerships to better serve social enterprises. WD will look for opportunities to enhance its Loan Investment Fund Program to promote social enterprise lending and expand the availability of financing, and will invite proposals from capacity providers to administer and deliver financing initiatives to social enterprises.

**E. Create an advocacy strategy and continue to strengthen our policy capacity to support our efforts to influence national decisions on behalf of western Canadians:**

WD plays an important role in ensuring western Canadian needs are taken into account in national policy decisions and in explaining the Government of Canada position on national issues to governments and organizations within Western Canada. An important factor in building the department's advocacy agenda is acquiring and sharing knowledge about western views of decisions made by the Government of Canada and their impact on western Canadian economic performance and quality of life. A key aspect of these activities will be to sponsor and disseminate research on western Canadian issues, and to engage a broad range of western stakeholders about issues of relevance and importance to them. These stakeholders will include representatives from other orders of government, the business sector, communities, and academic and research organizations. Solicitation of their views and ideas will be undertaken through a range of forums including meetings of senior western provincial officials and WD executives, the management committees of inter-jurisdictional and multi-party agreements, sponsored conferences and roundtables such as the Environmental Technology Forum held in Vancouver in December 2003, and Public Policy Forums held in 2004 on issues such as the future of energy and the Pacific Gateway.

Working closely with other federal government departments, WD will identify and act on opportunities to provide analysis and advice on Western Canada to federal Cabinet Ministers, senior executives, and the federal policy and program community engaged in decisions that will impact on Western Canada. A number of activities will be pursued in support of the department's advocacy agenda including representation at interdepartmental meetings on issues effecting the West, providing briefings and written submissions to government members and officials, helping to link western Canadians seeking input on federal policies and decisions to the appropriate officials, and taking an active role in the formulation and implementation of federal policies and programs.

**F. Stabilize the Western Canada Business Service Network (WCBSN) by negotiating and entering into new multi-year agreements:**

The WCBSN consists of several integrated organizations that provide entrepreneurs with the expertise they need to start a new business or expand their existing company. The network includes Canada Business Service Centres (CBSCs), Community Futures Development Corporations (CFDCs), Women's Enterprise Initiative offices (WEIs), and Francophone Economic Development Organizations (FEDOs). Through the network, Western Canada SMEs are able to access a variety of services, including information, training, advice and financing. In addition, community economic development (CED) initiatives are undertaken by many of the network members to provide a grassroots solution to local problems.

Network partners provide more than 100 points of service across the West, and are critical to the achievement of WD's strategic outcomes. Results of recent evaluations of the Community Futures (CF) Program, WEI and FEDOs affirm the relevance, success and cost-effectiveness and support long-term funding for these organizations.

WD provides an average of \$28.7 million per year to CFDCs, WEIs, and FEDOs for operating costs, through agreements that expire March 31, 2005. Negotiations regarding funding levels and other administrative issues such as performance measures and streamlining is underway. WD is committed to stabilization of long-term funding for members of the WCBSN, and is working with partners to have multi-year contribution agreements in place as early as possible in the 2005-06 fiscal year.

### **Management Priorities:**

#### **G. Implement key tenets of the *Public Service Modernization Act* (PSMA) including implementation of an Informal Conflict Management System and establishment of human resources (HR) staffing guidelines and policies:**

The *Public Service Modernization Act* is the most significant human resources legislative reform in 35 years. Goals of the PSMA include:

- creating more flexible people management and support with built-in safeguards to facilitate hiring the right people when and where they are needed;
- fostering more collaborative labour-management relations to support healthy, productive workplaces;
- providing more focused and better integrated learning and training for employees at all levels; and,
- clarifying roles and strengthening accountability.

WD priorities for the upcoming year include the following:

- establishing an Informal Conflict Management System (ICMS), in consultation with bargaining agents, that meets Treasury Board Secretariat (TBS) requirements. Informing employees, providing training, and finalizing an evaluation plan will be critical elements of the ICMS;
- ensuring that staffing delegation instruments are updated; and,
- developing departmental staffing policies and processes in the areas of:
  - . informal discussion;
  - . revocation and corrective action;
  - . area of selection; and,
  - . criteria for the use of non-advertised process.



**SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY  
STRATEGIC OUTCOME**

## Policy, Advocacy and Coordination

### Strategic Outcome: Policies and programs that support the development of Western Canada

WD's Policy, Advocacy and Coordination function embraces a range of activities that are designed to result in effective strategies, policies and programs addressing the economic development needs, opportunities, and aspirations of Western Canada.

As part of its policy development activities, WD sponsors research projects related to its economic development mandate and the Department's Strategic Outcomes. Many of WD's policy-research activities and outputs are intended to foster increased regional collaboration among economic development stakeholders in Western Canada and the development of pan-western perspectives and approaches to policy issues. Collaboration and coordination, advocacy, and research and analysis, are the activities that WD undertakes in support of this strategic outcome.

WD will engage in activities and fund projects that help bring people, ideas, communities and resources together. The department's efforts will emphasize partnerships, collaboration and strategic investments that optimise opportunities for western Canadians. WD will link the views and concerns of western Canadians with national policies, priorities and programs.

	2005-2006	2006-2007	2007-2008
<b>Financial Resources</b> <b>(\$ thousands)</b>	4,674	4,932	4,923
<b>Human Resources - FTEs</b>	35	35	35

Collaboration and coordination is defined as organizing and coordinating meetings, conferences or other events with other levels of government, other federal departments, industry, academe, or the not-for-profit sector in order to plan or precipitate actions that result in a greater degree of development and/or diversification of the western economy. This can involve the process of developing policies and programs with other governments or partners, but is distinct from the advocacy activities in that it is more broadly based and less focused on specific issues and near term outcomes.

Collaboration and coordination activities support all the WD program priorities:

- promoting trade and investment;
- creating the partnerships required to increase investment and support for the commercialisation of new technologies;
- bringing stakeholders together to design and implement social economy initiatives;
- advocacy efforts;
- negotiating new agreements with the WCBSN; and,
- enhancing community development.

The expected result of the collaboration and coordination activity is better coordinated economic activities and programs in the West. Refer to Appendix B for a list of performance indicators that will be used to measure the success of this activity.



	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>
<b>Financial Resources (\$ thousands)</b>	2,405	2,568	2,563
<b>Human Resources - FTEs</b>	22	22	22

Advocacy activities include organizing and attending meetings (including interdepartmental meetings), writing correspondence, and any other communication or engagement activities that promote the interests of Western Canada and western Canadians. The activity facilitates an improved understanding and awareness of regional issues and opportunities that leads to action by the federal government, partners or stakeholders to help achieve a more balanced, regionally sensitive approach to western Canadian priorities, or that results in a greater share of federal program activity or procurement in Western Canada.

The activity also involves advocating federal government priorities within Western Canada.

Some more specific examples of WD’s advocacy efforts include:

- intervening and providing western perspectives and input into submissions to Cabinet based on an assessment of western-orientated items on the Cabinet Agenda;
- working on behalf of western Canadian firms and industries seeking to access government programs such as major Crown projects, granting council funding, Canada Foundation for Innovation initiatives, the Technology Partnerships Canada program, and funding offered by other federal departments and agencies;

- establishing and participating in western-based consultation forums such as the federal-provincial Deputy Ministers' Economic Development forum, Senior Western Innovation Officials forum, as well as the Senior Federal Councils in each province;
- advocating in support of specific regional projects or issues such as WD's work in establishing the Nanotechnology Centre at the University of Alberta or the Canada Light Source Synchrotron Facility at the University of Saskatchewan; and,
- engaging western Canadian stakeholders on the development and implementation of national priorities such as the New Deal for Cities, environmental technologies, and the Social Economy agenda.

WD's advocacy activity supports the department's program priorities and in the coming year will focus on:

- ensuring Western Canada's interests are promoted abroad through Government of Canada trade and investment activities such as the US Enhanced Representation Initiative;
- ensuring national programs aimed at enhancing technology commercialization offer appropriate access to western Canadians; and,
- ensuring that the needs of social economy stakeholders are met in national program design efforts.

And, as a separate priority item, a new advocacy strategy will be developed for the department that will bring enhanced focus to the advocacy agenda.

The expected result of the advocacy activity is an improved understanding and awareness of western issues and increased access to and participation in federal programs by the region. Refer to Appendix B for a list of performance indicators that will be used to measure the success of this activity.

**Program Activity: Research and Analysis**

	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>
<b>Financial Resources (\$ thousands)</b>	3,830	4,063	4,055
<b>Human Resources - FTEs</b>	32	32	32

Policy research and analysis involves preparing and disseminating information that results in an increased understanding of western Canadian challenges, opportunities and priorities. This activity provides the factual intelligence necessary to undertake internal or external policy and program development. Policy research and analysis can involve WD sponsoring externally generated research through agencies such as the Canada West Foundation, the Western Centre for Economic Research, and the Conference Board of Canada. It also includes in-house research and analysis products such as economic overviews, environmental scans, and sectoral or issue analysis that support departmental policy, planning or program development.

Research priorities for 2005-2006 include analysis of: western challenges, opportunities and factors affecting regional prosperity; regional trade and investment patterns; small business and its role in the regional economy; the place of Aboriginal people in the region's current and future society; as well as research that will support policy development in national or international forums such as the social economy, rural and northern development models and mechanisms, factors contributing to regional competitiveness, and the contribution of post-secondary education institutions to regional economic development.

The expected result of the policy research and analysis activity is an enhanced dialogue around and understanding of western issues, challenges, opportunities and priorities. Refer to Appendix B for a list of performance indicators that will be used to measure the success of this activity.

## **Sustainable Communities**

### **Strategic Outcome: Economically viable communities in Western Canada with a high quality of life**

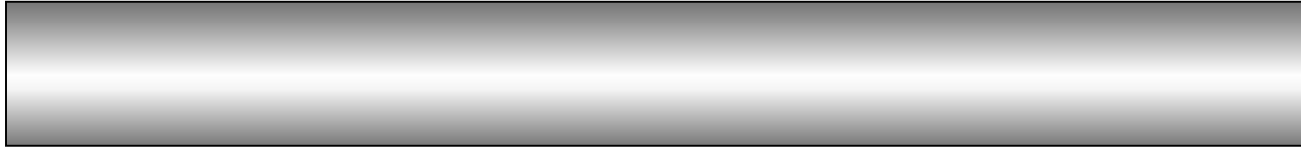
WD's sustainable community activities work to ensure that economic, social and environmental considerations are taken into account in initiatives designed to foster community growth and economic development. The ultimate goal is to develop western Canadian communities that are economically viable and that offer a high quality of life.

WD helps urban and rural communities sustain their economies and adjust to changing and often challenging economic circumstances through activities and investments that build and capitalize on local capacity, improve infrastructure and foster economic and social inclusion. WD maximizes the impact of its investments through innovative strategies and partnerships that leverage resources, network connections and knowledge from other federal departments and agencies, provincial and municipal governments, universities, non-government organizations, and the private sector.

WD's objective in supporting Sustainable Communities is primarily achieved through the coordination of programs and activities, development of partnerships with other governments and other government departments and community-based organizations (such as CFDCs) and through the delivery of grants and contributions (G&C) programs

WD's efforts to build sustainable communities include:

- facilitating economic recovery from depressed economic circumstances;
- working collaboratively with other federal departments, other governments and communities;
- WD's work in urban centres through establishing urban development agreements (UDAs) with other partners to create an environment for economic prosperity;
- federal-provincial agreements, such as Western Economic Partnership Agreements (WEPA) and Northern Development Agreements;
- the Infrastructure Canada Program that reflects the department's coordination and support for community-based economic development opportunities; and,
- investing in Community Futures Development Corporations and other members of the WCBSN to carry out Aboriginal economic development, community economic development initiatives, and other economic development initiatives aimed at groups such as women or francophones.



	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>
<b>Financial Resources (\$ thousands)</b>	145,385	75,849	65,513
<b>Human Resources - FTEs</b>	89	89	89

WD addresses the needs of communities by assisting them to assess their strengths, weaknesses, opportunities, and potential for new economic activity and to implement community plans. The process involves community-based consultations/facilitation and includes the provision of support to projects that strive to integrate federal programs, services and horizontal initiatives directed towards western Canadian communities, such as community economic development processes and initiatives such as the Canada-Saskatchewan Northern Development Agreement, and WD's UDAs. Much of the work in rural areas is carried out through support provided to the CFDCs.

WD also invests in initiatives that:

- support the viability of the local economy, enhance available facilities and/or increase the participation of communities, particularly members of Aboriginal communities;
- build community capacity for social economy initiatives;
- assist communities facing severe adjustment impacts due to changing economic circumstances; and,
- identify options and responses that will create new economic opportunities and to assist the communities to put the plans into effect.

Expected Results:

- increase in community consultations, environmental scans and reviews;
- enhanced community planning;
- more effective use of resources through partnered initiatives;
- increased viability and diversification of local economies;
- enhanced community services or facilities;
- increased community participation;
- increased community capacity; and,
- successful community adjustment to mitigate economic crises.

While support for sustainable communities is an ongoing, key activity for the department, there are several specific priority initiatives planned for the next few years that will contribute to the

enhancement of the economic viability and the quality of life available in western Canadian communities. These include:

- negotiating and entering into new or expanded cost-shared tripartite UDAs with several of the larger cities in the West (i.e., Edmonton, Calgary, Regina and Saskatoon), as well as other regional partnerships in regions with strong common interests;
- implementing the new Municipal Rural Infrastructure Fund and engaging in the emerging priority involving the development and implementation of the New Deal for Cities and Communities Agenda; and,
- continuing to support projects that build Aboriginal community capacity and generally enhance Aboriginal participation in the mainstream economy. In particular, as the co-lead in the implementation of the Urban Aboriginal Strategy (UAS) in the West, the department will work to put in place an enhanced and expanded UAS.

### **Program Sub-Activity: Community Planning**

Providing funding support for projects that support the viability of the local economy, enhance available facilities and/or increase the participation of community members are ways that WD helps to address the needs of communities. The expected result of WD's investment is enhanced community planning.

Refer to Appendix B for a list of performance indicators that will be used to measure the success of this sub-activity. The department has identified a number of specific priorities within this sub-activity, including:

- providing support to CFDCs to foster strategic community planning and socio-economic development;
- exploring opportunities with CFDCs to increase program delivery efficiency; and,
- providing support to initiatives that build capacity within Aboriginal rural and urban communities.

### **Program Sub-Activity: Community Development**

Under community development, WD provides support to projects that improve the viability of the local economy, enhance available facilities and/or increase the participation of community members. These projects are expected to result in increased viability and diversification of local economies.

Refer to Appendix B for a list of performance indicators that will be used to measure the success of this sub-activity.

Specific priorities in support of community development include the provision of support for projects and initiatives that enhance community economic viability and capacity, and the



delivery of an enhanced and expanded Urban Aboriginal Strategy (UAS) in association with stakeholders in designated communities in the West.

In 2005 – 06, the UAS will be launched in four additional western communities: Prince George, British Columbia, Lethbridge, Alberta, Prince Albert, Saskatchewan, and Thompson, Manitoba. The UAS approach recognizes that local communities are best placed to develop solutions that meet their unique opportunities and challenges. It also recognizes that all governments, and the communities they serve, need to work together to address urban Aboriginal issues. WD is committed to working with other federal departments, provincial and municipal officials, Aboriginal representatives and community members to develop innovative projects and expand this important initiative.

Another priority relates to the enhancement of existing urban development agreements and the development of new ones in several cities in the West. The current Vancouver Agreement (VA), a partnership between the federal government, the Province of British Columbia and the City of Vancouver, will soon expire. The Agreement supports sustainable socio-economic development with a particular focus on revitalizing Vancouver's Downtown Eastside. In 2005 - 06, steps will continue to extend and enhance the VA beyond March 2005, possibly through the allocation of targeted incremental funding.

Another priority for the coming year will be the delivery of \$92 million in funding for the Alberta (60%) and Saskatchewan (40%) Centenaries. The year 2005 will mark the 100th anniversary of Alberta and Saskatchewan joining Confederation and WD will be supporting capital legacy, celebration and learning projects that will have lasting economic, social, and cultural benefits for community development.

### **Program Sub-Activity: Community Economic Adjustment**

To assist communities facing severe adjustment impacts due to changing economic circumstances, WD supports projects that help communities identify options and develop responses that will create new economic opportunities. WD also provides support for projects that help communities to put the plans into effect. This is expected to result in successful community adjustment to mitigate economic crises. Refer to Appendix B for a list of performance indicators that will be used to measure the success of this sub-activity.

Priorities under Community Economic Adjustment include working with communities and other federal and provincial departments to develop appropriate responses to trade disputes, forest fires, the Mountain Pine Beetle infestation, as well as mine closures and other unanticipated events that severely test the underpinnings of a community's economy.

## Program Activity: **Infrastructure**

	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>
<b>Financial Resources</b> <b>(\$ thousands)</b>	241,004	209	152
<b>Human Resources - FTEs</b>	40	0	0

Note: The Infrastructure Canada program expires in March 2006. Financial resources in subsequent years represent only the Operating & Maintenance (O&M) component that forms part of WD's appropriation for delivery of the Canada Strategic Infrastructure (CSIF) program.

WD delivers the Infrastructure Canada Program (ICP) in Western Canada. In partnership with provincial, territorial and local governments, First Nations (note: Indian and Northern Affairs Canada (INAC) is responsible for on reserve infrastructure projects) and the private sector, the ICP is helping to renew and build infrastructure in rural and urban municipalities across Canada. The program was introduced in 2000 and will expire in March 2006.

WD will continue contributing to the renewal of Canada's infrastructure through delivery of the new Municipal Rural Infrastructure Fund (MRIF) and key Canada Strategic Infrastructure Fund (CSIF) projects in the West on behalf of Infrastructure Canada.

Priorities for the coming year will include:

- completing the Infrastructure Canada Program;
- implementation of the Municipal Rural Infrastructure Fund in the West; and,
- administration of approved Canada Strategic Infrastructure Fund projects including federal funding for Regina's Wascana Lake (\$9 million) and Exhibition Park (\$5 million), Manitoba's Red River Floodway (\$80 million) and Vancouver's Convention Centre (\$222.5 million) and working with Infrastructure Canada to negotiate additional CSIF projects in Manitoba and Saskatchewan.

### **Program Sub-Activity: Green Infrastructure**

The Infrastructure Canada Program's first priority is green municipal infrastructure – projects that improve the quality of our environment and contribute to our national goals of clean air and water. Priority projects target water and wastewater systems, water management, solid waste management and recycling. These projects are expected to result in the following outcomes:

- improved water quality;
- improved wastewater systems;

- improved solid waste management; or
- improved energy efficiency of municipal buildings.

Refer to Appendix B for a list of performance indicators that will be used to measure the success of this sub-activity.

### **Program Sub-Activity: Local Transportation Infrastructure**

Local Transportation Infrastructure includes funding for projects that support local transportation infrastructure such as roads, bridges, rail, intelligent transportation systems technology, etc. The expected results of these initiatives include the following:

- safer local roads and transportation infrastructure; or
- new or improved public transportation.

Refer to Appendix B for a list of performance indicators that will be used to measure the success of this sub-activity.

### **Program Sub-Activity: Other Infrastructure Priorities**

To support other infrastructure priorities, WD provides funding for infrastructure projects not considered to be green municipal infrastructure or local transportation infrastructure. This includes cultural and recreational facilities, infrastructure supporting tourism, rural and remote telecommunications and affordable housing. Expected results are:

- increased cultural and recreation facilities,
- increased infrastructure supporting tourism,
- increased rural and remote telecommunications,
- increased high-speed access for local public institutions, or
- increased affordable housing.

Refer to Appendix B for a list of performance indicators that will be used to measure the success of this sub-activity.

## Entrepreneurship and Innovation

**Strategic Outcome: A competitive and expanded business sector in Western Canada and a strengthened western Canadian innovation system**

In previous departmental *Reports on Plans and Priorities*, WD reported the above-noted strategic outcome statement as separate strategic outcomes under Innovation and Entrepreneurship. Although the department's reporting format has changed slightly in response to requirements of the newly introduced Program Activity Architecture, both Entrepreneurship and Innovation continue to be critical to achieving WD's overall vision.

### Program Activity: **Business Development and Entrepreneurship**

WD has always recognized the critical importance that small- and medium-sized enterprises (SMEs) play in the western Canadian economy. Small business (< 50 employees) is the economic engine of Western Canada. The number of small businesses per capita in Western Canada is 40 per cent higher than in the rest of Canada.<sup>1</sup> As the source of nearly 80 per cent of new jobs, entrepreneurs are a major source of economic growth in the business service, health and social service, food and beverage, transportation and high tech sectors in Western Canada.

In order to grow and be successful in today's global economy, SMEs require business and management information and access to capital. SMEs also benefit from assistance in exporting, training and skills development, and through industry collaboration, partnerships and strategic alliances. These are the focus of WD's programs and partnering strategies that will lead to a competitive and expanded business sector in Western Canada.

	2005-2006	2006-2007	2007-2008
<b>Financial Resources</b> <b>(\$ thousands)</b>	50,500	45,980	41,963
<b>Human Resources - FTEs</b>	106	107	107

<sup>1</sup> Western Centre for Economic Research (2001)

WD addresses the needs of SMEs and entrepreneurs through a variety of service delivery mechanisms and partnerships. These include more than 100 offices of the WCBSN consisting of CFDCs, WEIs, FEDOs and CBSCs.

WD has created new and alternative sources of capital for SMEs by working closely with financial institutions to create a specialized series of loan programs under the Loan Investment Fund Program. These loan funds target industry sectors important to Western Canada, micro lending and targeted groups and provide patient and flexible debt capital on terms especially suited to the unique needs and cash flow requirements of these small businesses. Loans are provided on commercial terms by financial institutions such as chartered banks, credit unions, and trust companies.

WD partners with other federal departments, the provincial governments and local organizations to enhance overall support for trade and investment in the West through participation in Trade Team Canada Inc., Regional Trade Networks, Provincial Trade Teams, Western Trade Officials and the US Enhanced Representation Initiative. WD's strategy in support of trade and investment involves activity in four key areas: trade promotion, investment attraction, targeted research, and trade policy. Activities vary from strategic participation in trade missions to supporting initiatives such as investment attraction to Western Canada.

WD funding also supports projects that result in industry collaboration, partnering and strategic alliances that support entrepreneurial development.

#### Expected Results:

Improved access to business information, training, business advisory services and capital for all western Canadians including those located in rural communities, as well as women and francophone entrepreneurs.

WD's expected results from entrepreneurship activities and funding support are achieved primarily through third party delivery organizations. That is, WD funding and service support is not provided directly to entrepreneurs but rather to non-profit organizations such as those making up the WCBSN, industry associations and financial institutions, to leverage service and capital support for entrepreneurs. To a large degree results achieved as a result of entrepreneurship activities occur over several years by service recipients who do not have a direct relationship with WD. The department is developing a performance measurement strategy to measure results of entrepreneurship activities over time, looking at both output measures annually and outcome measures over time. Another key factor in the success of the WCBSN members is the support they receive from volunteers in their communities from board membership to activities in support of specific initiatives. WD works with WCBSN members to identify the extent of volunteer support as an indicator of the success of these initiatives.

While support for entrepreneurship is an ongoing, key activity for the department, there are several specific priority initiatives planned for the next few years, including:

- promotion of trade and investment, including support for the US Enhanced Representation Initiative (ERI) and follow up to the WD led US tour;

- implementing Social Economy initiatives, as announced in Federal Budget 2004, including building capacity within the social economy, and improving access to capital and federal government programming by social enterprises; and,
- stabilizing the Western Canada Business Service Network by negotiating and entering into new multi-year agreements with CFDCs, WEIs and FEDOs.

**Program Sub-Activity: Improve Business Productivity**

To achieve the expected result of improved business productivity, WD provides funding support for projects that:

- support sales growth, or increased productivity of existing businesses/business sectors;
- support industry associations to enhance business management capacity within the SME community; or
- support training and skills development as it relates to entrepreneurship.

Refer to Appendix B for a list of performance indicators that will be used to measure the success of this sub-activity. Specific priorities in support of improved business productivity include:

- continued support and development of WCBSN members including ongoing work to strengthen the measurement and reporting of performance as new multi-year funding agreements are developed;
- projects with industry associations and other organizations that can work with entrepreneurs to enhance business capacity, including the business capacity of social enterprises; and,
- investing in initiatives that improve manufacturing competitiveness, such as Lean Manufacturing.

**Program Sub-Activity: Market/Trade Development and Foreign Direct Investment**

Under market/trade development, WD invests in projects that build capacity and knowledge in development of international markets. Results are achieved through a combination of activities undertaken by departmental staff such as participation in Team Canada Inc. and active participation in the Regional Trade Networks, as well as funding support for market and trade development projects. To increase foreign direct investment in Western Canada, WD supports projects that identify, promote and develop foreign investment in the West. Expected results of these projects include:

- increased participation in international markets; or
- increased foreign investment in Western Canada.

Refer to Appendix B for a list of performance indicators that will be used to measure the success of these sub-activities.

The need for an enhanced focus on international business development and a coordinated approach to trade, investment and innovation has been highlighted in recent federal budgets. Western provinces have also identified the need for a stronger federal role in support of international business development and enhanced federal-provincial coordination. In response, WD has identified trade and investment as a strategic priority. Specific priorities in support of market/trade development and foreign direct investment include:

- closer collaboration with the western provinces, International Trade Canada, trade commissioners and other federal partners, and effective partnering with provincial Trade Teams in the West;
- expanded export readiness and export advisory information services offered through the WCBSN, particularly the CBSCs;
- strategic participation in trade missions and investment attraction and retention initiatives that support WD and western innovation priorities such as: fuel cells, health and ocean industries, life sciences, biotechnology, nanotechnology and information and communications technology;
- participation at key international events such as the United Nations World Urban Forum to be held in Vancouver in 2006;
- targeted western research on trade and foreign direct investment; and,
- targeted analysis and advocacy, where appropriate, related to key international trade and investment policy developments of particular significance to Western Canada.

### **Program Sub-Activity: Industry Collaboration**

WD invests in projects that support industry collaboration, partnerships and strategic alliances that are expected to result in increased numbers of successful partnerships and strategic alliances. Further information on performance indicators that will be used to measure the result of this program sub-activity may be found in Appendix B.

Specific priorities for the coming year in support of industry collaboration include:

- capitalizing on emerging opportunities in the Asia Pacific Rim;
- facilitating initiatives that support Pacific Gateway transportation infrastructure development, as well as required policy, and regulatory changes needed through research, planning and advocacy; and,
- cooperating (in Alberta) with Alberta Economic Development on its high performance strategy for the manufacturing sector.

### **Program Sub-Activity: Access to Capital**

To support increased access to capital, WD invests in projects:

- with capital providers (financial institutions, venture capital organizations, etc.) to leverage increased risk capital availability in Western Canada;
- that address access to capital issues; or,
- that provide non-profit organizations with capital for lending to qualified SMEs.

These projects are expected to result in increased investment in targeted western Canadian firms. Refer to Appendix B for a list of performance indicators that will be used to measure the success of this sub-activity.

The key priorities in enhancing Access to Capital for the coming year, include:

- renewing the micro-loan funds in a manner that recognizes the much greater level of effort required of the capital providers in issuing and managing large numbers of small commercial loans to very small and start-up businesses;
- ensuring the expansion of the eligibility criteria in all relevant loan funds to allow for inclusion of social enterprises; and,
- continuing to provide access to growth capital for early and high growth stage SMEs, where feasible.

In addition, WD will continue to work with members of the WCBSN to ensure the effective use of existing investment funds and to identify gaps in financing.

**Program Activity: Innovation**

It is widely recognized that innovation is key to a region’s prosperity and quality of life. A strong, innovative and vibrant economy that fosters and rewards innovation allows innovative companies and researchers to thrive and succeed. Western Canada has many of the elements of an innovative economy, but faces both challenges and opportunities. WD works with partners from a range of government, industry and other organizations to strengthen the western innovation system.

	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>
<b>Financial Resources</b> <b>(\$ thousands)</b>	55,986	56,365	59,750
<b>Human Resources - FTEs</b>	68	75	75

WD supports a strong emphasis on innovation as a means to achieve economic development and diversification leading to wealth creation. Innovation is the process through which economic, social and other benefits are derived from knowledge. Through innovation, knowledge is



applied to the development of new and significantly improved products and services or to new ways of designing, producing or marketing an existing product or service for public and private markets.

Innovation occurs through a highly complex interdependent system that includes elements such as knowledge infrastructure, basic and applied research and development, highly skilled people, access to adequate patient financing, technology commercialization facilities and support systems and mechanisms to link these elements to each other. The process of innovation is not linear or isolated, but occurs within a broader context of an “innovation system”. WD’s goal is to strengthen the western Canadian innovation system in order to facilitate the development of emerging and leading clusters, i.e. life sciences, telecommunication etc., and to enhance the potential of innovation to create value and wealth.

#### Expected Results:

The expected result of WD’s efforts in innovation is the emergence and growth of technology clusters in key areas for Western Canada such as environmental technologies, life sciences, information and communications technology and value added resources. This will lead to:

- a more dynamic research community;
- increase in highly qualified people;
- additional venture capital investments leading to increased technology commercialization in both new and existing firms;
- increased productivity; and,
- enhanced collaboration among innovation system players.

Innovation will continue to be a priority for WD in the next year, leading to an increase in investment and support for the commercialization of new technologies in Western Canada with a particular emphasis on sectors such as environmental technologies and life sciences/health innovation. This priority supports wealth creation, an increase in highly qualified personnel, and contributes to WD’s other priorities of sustainable communities and business development and entrepreneurship. WD’s focus on increasing investment leading to technology commercialization is aligned with elements of the Government of Canada’s five-point strategy as described in the October 2004 *Speech from the Throne* to build an even more globally competitive and sustainable economy and to strengthen Canada’s ability to generate and apply new ideas.

One of the key mechanisms used by WD to strengthen the western Canadian innovation system is through the Western Economic Partnership Agreements (WEPAs). These are joint federal-provincial initiatives aimed at fostering increased economic activity and improving the quality of life in communities across Western Canada. New WEPAs were signed with each of the four western provinces in late 2003. WD is providing \$25 million in funding to each western province. With matching provincial contributions, each WEPA will invest up to \$50 million. For example, in Alberta, more than 80% of WEPA funding will support investments in the innovation and value-added industries priority area. This includes initiatives that increase the rate of technology commercialization and adoption in Alberta, increase value-added for traditional resource industries, and support emerging industries.

### **Program Sub-Activity: Technology Adoption and Commercialization**

Under Technology Adoption and Commercialization, WD will support projects where the objective is to introduce new or existing technologies into an entity and/or getting technology products, processes and services to the marketplace. This includes technology demonstration, benchmarking products/ capability leading to adoption and projects that focus on commercialization of technologies. These projects are expected to result in the following:

- an increase in the number of technologies developed in research institutions that have commercialization potential, as demonstrated by intellectual property (IP) protection, licensed to an external user, or form the basis for a new company. The ultimate goal is to bring new products and services to the marketplace; or,
- increased technologies adopted by existing firms.

Refer to Appendix B for a list of performance indicators that will be used to measure the success of this sub-activity.

Specific priorities in support of this sub-activity include investments in key sectors that will strengthen the organizations that facilitate technology commercialization from research, that demonstrate the commercial relevance of a new technology, and that facilitate market pull into technology commercialization. For example, in British Columbia, an emphasis will be placed on emerging clusters that have potential for high growth in the province, including life sciences, environmental/sustainable technologies, information and communication technologies, alternative energy, and ocean science and technologies.

### **Program Sub-Activity: Technology Linkages**

This sub-activity includes investments in projects that support networks, industry associations and other initiatives or events designed to build synergies among the players of the innovation system. These projects are expected to result in increased connections and synergies among innovation system members through new partnerships/networks, collaboration, conferences to exchange information and increased awareness. Further information on performance indicators that will be used to measure the result of this program sub-activity may be found in Appendix B.

Specific priorities for the upcoming year include:

- increasing linkages among innovation system players through networking and knowledge-sharing events like conferences;
- co-development of innovation strategies; and,
- support for organizations to build linkages between researchers and investors.

### **Program Sub-Activity: Technology Research and Development (R&D)**

To support Technology R&D, WD makes investments in projects for applied research and development leading to a new product or process that will have a near or mid-term commercial potential. WD does not normally fund basic research. The expected results of this sub-activity include:

- applied R&D leading to technologies with commercialization potential;
- new R&D Centre operating or increased capacity; or
- increased availability of skilled personnel in sector.

Further information on performance indicators that will be used to measure the result of this program sub-activity may be found in Appendix B.

Specific priorities in support of R&D include investments in initiatives that strengthen commercially oriented research capability in key emerging clusters in the West, including:

- BC's priorities in environmental technologies, life sciences, and alternative energies;
- Saskatchewan's focus is on biotechnology/biosafety and petroleum technologies;
- Manitoba's priorities are life sciences and convergent media; and,
- Alberta's focus is on wireless, health technologies and micro-nanotechnologies.

### **Program Sub-Activity: Community Innovation**

Where a community has an existing knowledge infrastructure or a technology focus, WD will provide support for projects such as planning studies, cluster studies or competitive studies that further build capacity in the community. Expected results include the following:

- planning studies used by the community as a tool for economic development;
- increased capacity in a community, based on the generation of new knowledge; or
- community businesses adopt/adapt new technologies.

Refer to Appendix B for a list of performance indicators that will be used to measure the success of this sub-activity.

Specific priorities for the upcoming year include investments in projects that promote innovation and knowledge driven growth strategies within western Canadian communities, including:

- projects to increase opportunities for Aboriginal people;
- projects that contribute to sustainable development in communities; and,
- projects that develop multi-jurisdictional networks and partnerships to promote information exchange, joint planning and partnerships.

### **Program Sub-Activity: Technology Skills Development**

Under this sub-activity, WD supports projects which result in an increase in training, education and skill building in the new economy sectors. Further information on performance indicators that will be used to measure the result of this program sub-activity may be found in Appendix B.

Regional priorities include supporting skills that are relevant to the local clusters, supporting exchanges between research community and industry, and supporting specific competencies such as technology commercialization skills.

### **Program Sub-Activity: Knowledge Infrastructure**

Under knowledge infrastructure, WD invests in projects that:

- result in the creation or expansion of infrastructure such as buildings and equipment dedicated to R&D or training; or
- support application to federal programs such as Canada Foundation for Innovation Support Program (CFI-SP), or planning studies regarding the feasibility of facilities.

These projects are expected to produce the following results:

- increase in physical assets for R&D or training; or
- attraction of new investments in knowledge infrastructure.

Refer to Appendix B for a list of performance indicators that will be used to measure the success of this sub-activity. Regional priorities include strengthening knowledge infrastructure that facilitates innovation in key sectors and supports technology clusters.

## **SECTION III – SUPPLEMENTARY INFORMATION**

## Management Representation Statement

I submit for tabling in Parliament, the 2005-2006 Report on Plans and Priorities (RPP) for Western Economic Diversification Canada.

This document has been prepared based on the reporting principles contained in the *Guide to the preparation of Part III of the Estimates: Reports on Plans and Priorities*.

- it adheres to the specific reporting requirements outlined in the TBS guidance;
- it is based on the department's approved accountability structure as reflected in its MRRS;
- it presents consistent, comprehensive, balanced and accurate information;
- it provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and,
- it reports finances based on approved planned spending numbers from the Treasury Board Secretariat.

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Oryssia J. Lennie  
Deputy Minister  
Western Economic Diversification Canada

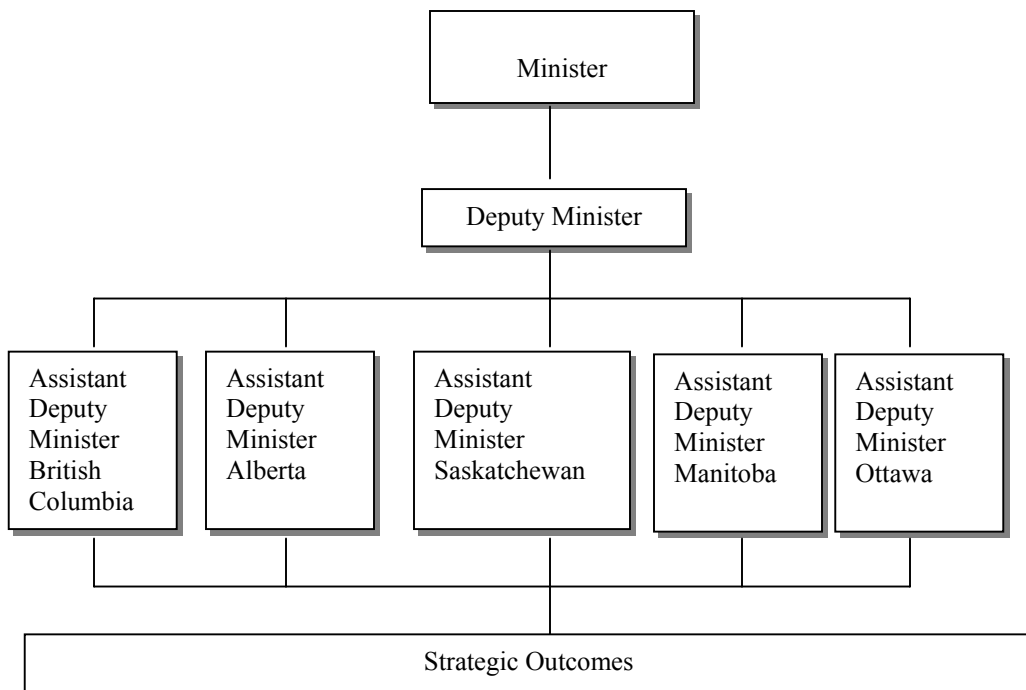
## Organizational Information

The department's Head Office is located in Edmonton, Alberta, co-located with the Regional Office for Alberta. There are regional offices located in each of the other western provinces, in Winnipeg, Saskatoon and Vancouver, and a Liaison Office in Ottawa. Regional satellite offices also exist in Calgary and Victoria. The department's Deputy Minister is located in Edmonton, and Assistant Deputy Ministers are located in Vancouver, Edmonton, Saskatoon, Winnipeg and Ottawa.

Each of the western Assistant Deputy Ministers are responsible for the delivery of programs and services in their region which support the department's strategic outcomes, as well as corporate responsibilities. The Ottawa based Assistant Deputy Minister plays the lead role in the department's advocacy activities.

The department works closely with Industry Canada and other Regional Development Agencies (RDAs).

### Western Economic Diversification Canada Organization Structure



WD's strategic outcomes are set by the Executive Committee, which is composed of the Deputy Minister, five Assistant Deputy Ministers, the Director General Corporate Finance and Programs, Director General Corporate Services, Director General of Policy, Director of Corporate Communications, and the Director of Audit and Evaluation.

Accountability for achievement of WD's strategic outcomes, at the program activity level, is shared by the western Assistant Deputy Ministers who are responsible for the delivery of programs and services in their region.

The ADM, Ottawa office and Director General of Policy also play key roles in the following program activities: collaboration and coordination, advocacy and research and analysis.



**Table 1: Departmental Planned Spending and Full Time Equivalents**

(\$ thousands)	Forecast Spending 2004-2005	<b>Planned Spending 2005-2006</b>	Planned Spending 2006-2007	Planned Spending 2007-2008
Collaboration and Coordination	4,835	<b>4,686</b>	4,957	4,957
Research and Analysis	4,103	<b>3,835</b>	4,079	4,079
Advocacy	2,496	<b>2,410</b>	2,578	2,578
Community Economic Planning, Development, and Adjustment	43,810	<b>41,491</b>	41,480	41,264
Infrastructure	213,666	<b>240,979</b>	231	184
Business Development and Entrepreneurship	63,769	<b>51,043</b>	47,013	44,279
Innovation	58,127	<b>48,248</b>	47,295	48,795
<b>Total Main Estimates</b>	390,806	<b>392,692</b>	147,633	146,136
<b>Total Adjustments</b>	(44,662)	<b>111,092</b>	42,333	32,783
<b>Total Planned Spending</b>	346,144	<b>503,784</b>	189,966	178,919
<b>Less: Non-Respendable Revenue</b>	18,700	<b>8,900</b>	2,700	1,700
<b>Plus: Cost of services received without charge</b>	4,285	<b>4,258</b>	4,189	4,197
<b>Net Cost of Department</b>	331,729	<b>499,142</b>	191,455	181,416
<b>Full Time Equivalents</b>	408	<b>392</b>	360	360

**Table 1: Adjustments**

<b>*Adjustments (\$ thousands)</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
<b>Supplementary Estimates:</b>				
Operating Budget Carry-Forward	1,687	-	-	-
Increased Collection of Repayable Amounts	8,689	-	-	-
\$1B Reduction – WD Contribution	(6,000)	-	-	-
Interdepartmental Partnerships – Official Languages Communities	151	-	-	-
Transfer to Heritage Canada – Alberta Scene Projects	(200)	-	-	-
Alberta and Saskatchewan Centenaries in 2005	217	-	-	-
Vancouver Convention Centre	329	-	-	-
Regina Wascana Lake	68	-	-	-
Regina Exhibition Park	34	-	-	-
Interdepartmental Partnership with Official Languages Communities (IPLC) Transfer	117	-	-	-
Official Languages Action Plan	278	-	-	-
National Joint Transition Committee – Public Service Modernization Act	382	-	-	-
Creation of Advertising Reserve	(384)	-	-	-
Transfer to Industry Canada – Aboriginal Business Capital	(238)	-	-	-

Reprofiling – Infrastructure Canada Program	(50,000)	-	-	-
Community Futures Budget 2000	-	2,810	2,810	2,810
Economic Development Needs in Northern Saskatchewan & Primrose Lake	-	3,000	3,000	3,000
Alberta and Saskatchewan Centenaries in 2005	-	81,746	9,730	-
Communities – Strategic Infrastructure – Regina Exhibition Park – Budget 2003	-	31	-	-
Social Economy	-	6,750	7,500	5,000
Budget Announcements:				
Expenditure Review Committee (ERC) - Reallocation	-	(3,070)	(6,000)	(8,800)
Canada Jobs Fund (CJF)	-	11,900	11,900	11,900
Community Futures Development Corporations (CFDCs)	-	2,500	3,100	3,600
Community Action for Partnership	-	5,100	10,100	15,100
Others:				
TB Vote 15	136	140	145	145
Employee Benefit Plan (EBP)	72	185	48	28
Total Adjustments	(44,662)	111,092	42,333	32,783

*Explanation of Change:* The decrease in forecast spending for 2004-05 reflects the transfer of contractual commitments under the Infrastructure Canada Program to future years. The decline in 2006-07 reflects the sunset of the Infrastructure Canada Program and the Alberta & Saskatchewan Centenaries. The decline in non-respondable revenues in future years reflects the reduction in the repayable portfolio of the department, a direct result of the movement away from repayable contributions to business in 1994-95.

Note: The \$1B Reduction – WD Share (\$6M annually) and the Creation of the Advertising Reserve (\$384K Annually) are included in opening 2005-06 Main Estimates and beyond.

**Table 2: Program by Activity**

2005-2006					
Program Activity (\$ thousands)				Budgetary	
	Operating	Grants and Contributions	Total Main Estimates	Adjustments	Total Planned Spending
Collaboration & Coordination	4,571	115	4,686	(12)	<b>4,674</b>
Research & Analysis	3,257	578	3,835	(5)	<b>3,830</b>
Advocacy	2,295	115	2,410	(5)	<b>2,405</b>
Community Economic Planning, Development & Adjustment	8,925	32,566	41,491	103,894	<b>145,385</b>
Infrastructure	4,367	236,612	240,979	25	<b>241,004</b>
Business Development & Entrepreneurship	14,570	36,473	51,043	(543)	<b>50,500</b>
Innovation	6,736	41,512	48,248	7,738	<b>55,986</b>
<b>Total</b>	<b>44,721</b>	<b>347,971</b>	<b>392,692</b>	<b>111,092</b>	<b>503,784</b>

**Table 3: Voted and Statutory Items listed in Main Estimates**

Vote or Statutory Item	Truncated Vote or Statutory Wording	2005-06 Main Estimates (\$ thousands)	2004-05 Main Estimates (\$ thousands)
1	Operating expenditures	39,958	42,919
5	Capital expenditures		
10	Grants and contributions	347,971	342,469
(S)	Minister of Western Economic Diversification - Salary and motor car allowance	70	70
(S)	Contributions to employee benefit plans	4,693	5,348
	<b>Total Department</b>	<b>392,692</b>	<b>390,806</b>

**Table 4: Net Cost of Department for the Estimates Year**

<b>2005-2006</b>	
(\$ thousands)	<b>Total</b>
Net Planned Spending	<b>503,784</b>
<i>Plus: Services Received without Charge</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	2,130
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds)	1,952
Worker's Compensation coverage provided by Social Development Canada	34
Salary and associated expenditures of legal services provided by Justice Canada	142
	4,258
<i>Less: Non-responsible Revenue</i>	8,900
<b>2005-2006 Net cost of Department</b>	<b>499,142</b>

## Table 5: Sources of Non-Respendable Revenue

### Non-Respendable Revenue

(\$ thousands)	Forecast Revenue 2004-2005	<b>Planned Revenue 2005-2006</b>	Planned Revenue 2006-2007	Planned Revenue 2007-2008
Repayment of Repayable Contributions	16,000	<b>8,000</b>	2,000	1,000
Adjustments to previous years payables at year-end	2,000	<b>500</b>	500	500
Other Revenue	700	<b>400</b>	200	200
<b>Total Non-Respendable Revenue</b>	18,700	<b>8,900</b>	2,700	1,700

Other revenue for 2005-06 and future years includes interest and other revenue associated with the collection of repayable contributions as well as other miscellaneous revenue.

**Table 6: 2005 – 06 Resource Requirements by Region/Branch**

(\$ thousands)	Regional Programs	Corporate/ Multi- Regional Programs (1)	National Programs	Total
Collaboration & Coordination	3,384	1,290	-	<b>4,674</b>
Research & Analysis	2,193	1,637	-	<b>3,830</b>
Advocacy	1,540	865	-	<b>2,405</b>
Community Economic Planning, Development & Adjustment (2)	142,431	2,954	-	<b>145,385</b>
Infrastructure (3)	-	-	241,004	<b>241,004</b>
Business Development & Entrepreneurship	41,700	8,800	-	<b>50,500</b>
Innovation	53,831	2,155	-	<b>55,986</b>
<b>Total</b>	<b>245,079</b>	<b>17,701</b>	<b>241,004</b>	<b>503,784</b>

(1) Corporate/Multi-Regional includes Headquarters, the Ottawa Liaison Office and Grants & Contribution projects that impact more than one province such as \$4.0M for the Loan Investment Fund Program, included under Business Development & Entrepreneurship.

(2) Community Economic Planning, Development, & Adjustment, Regional Programs figures include \$81.9M for the Alberta and Saskatchewan Centenaries Activities in 2005.

(3) Infrastructure resource requirements are for the Infrastructure Canada Program (ICP). ICP resources are allocated on the basis of population and unemployment over the multi-year life of the program. ICP total approved budget is \$557.2M.



## **Table 7: Details on Transfer Payments Programs**

Over the next three years, Western Economic Diversification will manage the following transfer payment programs in excess of \$5 million:

### **2005-06**

1. Grants for the Western Diversification Program
2. Western Diversification Program
3. Community Futures Program
4. Service Delivery Network Program
5. Infrastructure Canada Program

### **2006-07**

1. Grants for the Western Diversification Program
2. Western Diversification Program
3. Community Futures Program
4. Service Delivery Network Program

### **2007-08**

1. Grants for the Western Diversification Program
2. Western Diversification Program
3. Community Futures Program
4. Service Delivery Network Program

For further information on the above-mentioned transfer payment programs see <http://www.tbs-sct.gc.ca/est-pre/estime.asp>

## **Table 8: Horizontal Initiatives**

Over the next three years, Western Economic Diversification Canada will be involved in the following horizontal initiatives as either the lead or as a partner:

### **2005-06**

1. Infrastructure Canada Program (partner)
2. Canada Strategic Infrastructure Fund (partner)
3. Municipal Rural Infrastructure Fund (partner)
4. Western Economic Partnership Agreements (lead)

### **2006-07**

1. Canada Strategic Infrastructure Fund (partner)
2. Municipal Rural Infrastructure Fund (partner)
3. Western Economic Partnership Agreements (lead)

### **2007-08**

1. Canada Strategic Infrastructure Fund (partner)
2. Municipal Rural Infrastructure Fund (partner)
3. Western Economic Partnership Agreements (lead)

Further information on the above-mentioned horizontal initiatives see <http://www.tbs-sct.gc.ca/est-pre/estime.asp>

## **SECTION IV – OTHER ITEMS OF INTEREST**

## APPENDIX A - LIST OF ACRONYMS

<b>ABSN</b>	Aboriginal Business Service Network
<b>ADM</b>	Assistant Deputy Minister
<b>ACOA</b>	Atlantic Canada Opportunities Agency
<b>CBSC</b>	Canada Business Service Centre
<b>CEDQ</b>	Canada Economic Development for Quebec Regions
<b>CFI</b>	Canada Foundation for Innovation
<b>CFI-SP</b>	Canada Foundation for Innovation Support Program
<b>CSIF</b>	Canada Strategic Infrastructure Fund
<b>CFDC</b>	Community Futures Development Corporation
<b>DPR</b>	Departmental Performance Report
<b>DM</b>	Deputy Minister
<b>FDI</b>	Foreign Direct Investment
<b>FEDNOR</b>	Federal Economic Development Initiative for Northern Ontario
<b>FEDO</b>	Francophone Economic Development Organization
<b>G&amp;C</b>	Grants and Contributions
<b>HR</b>	Human Resources
<b>IMT</b>	Information Management and Technology
<b>IP</b>	Intellectual Property
<b>ITCan</b>	International Trade Canada
<b>MRRS</b>	Management, Resources and Results Structure
<b>MRIF</b>	Municipal Rural Infrastructure Fund
<b>OLA</b>	<i>Official Languages Act</i>
<b>OLMC</b>	Official Languages Minority Community
<b>PAA</b>	Program Activity Architecture
<b>RDA</b>	Regional Development Agency
<b>R&amp;D</b>	Research and Development
<b>RPP</b>	Report on Plans and Priorities
<b>SME</b>	Small- and Medium-sized Enterprises
<b>SD</b>	Sustainable Development
<b>TBS</b>	Treasury Board Secretariat
<b>UAS</b>	Urban Aboriginal Strategy
<b>UDA</b>	Urban Development Agreement
<b>WCBSN</b>	Western Canada Business Service Network
<b>WD</b>	Western Economic Diversification Canada
<b>WDP</b>	Western Diversification Program
<b>WEI</b>	Women's Enterprise Initiative
<b>WEPA</b>	Western Economic Partnership Agreement

# APPENDIX B

## PROGRAM SUB-ACTIVITIES, EXPECTED RESULTS & PERFORMANCE INDICATORS

Policy, Advocacy and Coordination - Strategic Outcome:

### Policies and programs that support the development of Western Canada

Program Activity:

#### Collaboration & Coordination

Description	Expected Result	Performance Indicators
Includes organizing and coordinating meetings, conferences or other events with other levels of government, other federal departments, industry, academe, or the not-for-profit sector in order to plan or precipitate actions that result in a greater degree of development and/or diversification of the western economy. This can involve the process of developing policies and programs with other governments or partners, but is distinct from the advocacy activities in that it is more broadly based and less focused on specific issues and near term outcomes.	Better coordinated federal economic programs in the West	Output Measures: <ul style="list-style-type: none"> <li>▪ Meetings, conferences, events, projects</li> </ul> Outcome Measures: <ul style="list-style-type: none"> <li>▪ Case studies and evaluations</li> <li>▪ Conference feedback</li> <li>▪ Event reports</li> </ul>

Program Activity:

#### Advocacy

Description	Expected Result	Performance Indicators
Advocacy activities include organizing and attending meetings (including interdepartmental meetings), writing correspondence, and any other communication or engagement activities that promote the interests of Western Canada and western Canadians.	<ul style="list-style-type: none"> <li>▪ Improved understanding and awareness of western issues</li> <li>▪ Increased access to, and participation in federal programs</li> </ul>	Output measures: <ul style="list-style-type: none"> <li>▪ Interventions</li> <li>▪ Projects</li> </ul> Outcome measures: <ul style="list-style-type: none"> <li>▪ Western issues addressed (i.e., number of interventions on Cabinet and interdepartmental issues)</li> <li>▪ Appropriate share of federal programs</li> <li>▪ Increased access to federal procurement opportunities</li> </ul>

**Program Activity:  
Research & Analysis**

Description	Expected Result	Performance Indicators
Policy research and analysis involves preparing and disseminating information that results in an increased understanding of western Canadian challenges, opportunities and priorities. This activity provides the factual intelligence necessary to undertake internal or external policy and program development.	Dialogue around, and understanding of western Canadian issues, challenges, opportunities and priorities	<p>Output measures:</p> <ul style="list-style-type: none"> <li>▪ Reports prepared</li> <li>▪ Projects funded</li> <li>▪ Conferences held</li> <li>▪ Research distribution statistics</li> <li>▪ References to WD sponsored research</li> </ul> <p>Outcome Measures:</p> <ul style="list-style-type: none"> <li>▪ Feedback on reports</li> <li>▪ User Satisfaction</li> <li>▪ Key informant opinions</li> </ul>

Sustainable Communities - Strategic Outcome:

**Economically viable communities in Western Canada with a high quality of life**

**Community Planning**

Description	Expected Result	Performance Indicators
Funding support for projects that support the viability of the local economy, enhance available facilities and/or increase the participation of community members.	<ul style="list-style-type: none"> <li>▪ Enhanced community planning</li> </ul>	<p>Output Measures:</p> <ul style="list-style-type: none"> <li>▪ # Amount of support provided</li> <li>▪ # consultations, scans and reviews</li> <li>▪ # plans</li> <li>▪ # joint agreements</li> <li>▪ funds leveraged</li> </ul>

### Community Development

Description	Expected Result	Performance Indicators
Projects that support the viability of the local economy, enhance available facilities and/or increase the participation of community members.	<ul style="list-style-type: none"> <li>▪ Increased viability and diversification of local economies</li> </ul>	Output Measures: <ul style="list-style-type: none"> <li>▪ \$ amount of support provided to projects</li> <li>▪ # new business planned/created</li> <li>▪ # enhanced community services or facilities</li> <li>▪ # participants</li> <li>▪ # individuals with enhanced skills</li> <li>▪ funds leveraged</li> </ul>

### Community Economic Adjustment

Description	Expected Result	Performance Indicators
Projects that assist communities facing severe adjustment impacts due to changing economic circumstances to identify options and responses that will create new economic opportunities and to assist the communities to put the plans into effect.	Successful community adjustment to mitigate economic crises	<ul style="list-style-type: none"> <li>▪ # public private partnerships</li> <li>▪ # businesses created/stabilized</li> <li>▪ # training courses developed</li> <li>▪ # participants trained</li> <li>▪ funds leveraged</li> </ul>



### Green Infrastructure

Description	Expected Result	Performance Indicators
The Infrastructure Canada Program's first priority is green municipal infrastructure – projects that improve the quality of our environment and contribute to our national goals of clean air and water. Priority projects target water and wastewater systems, water management, solid waste management and recycling.	<ul style="list-style-type: none"> <li>▪ Improved water quality</li> <li>▪ Improved wastewater systems</li> <li>▪ Improved solid waste management</li> <li>▪ Improved energy efficiency of municipal buildings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase in # of households with improved water quality</li> <li>▪ Increase in # households with improved wastewater treatment (includes new connections to wastewater systems)</li> <li>▪ Increase in volume of solid waste diverted through recycling and composting.</li> <li>▪ Decreased energy use in municipal buildings.</li> </ul>

### Local Transportation Infrastructure

Description	Expected Result	Performance Indicators
Includes funding for projects that support local transportation infrastructure such as roads, bridges, rail, intelligent transportation systems technology, etc.	<ul style="list-style-type: none"> <li>▪ Safer local roads and transportation infrastructure</li> <li>▪ New or improved public transportation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Number of road and local transportation infrastructure improvements</li> <li>▪ Increase in public transit usage</li> </ul>

### Other Infrastructure Priorities

Description	Expected Result	Performance Indicators
Includes funding for infrastructure projects not considered to be green municipal infrastructure or local transportation infrastructure. This includes cultural and recreational facilities, infrastructure supporting tourism, rural and remote telecommunications and affordable housing.	<ul style="list-style-type: none"> <li>▪ Increased cultural and recreation facilities</li> <li>▪ Increased infrastructure supporting tourism</li> <li>▪ Increased rural and remote telecommunications</li> <li>▪ Increased high-speed access for local public institutions</li> <li>▪ Increased affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>▪ # visits to cultural and recreation facilities</li> <li>▪ # new tourism infrastructure</li> <li>▪ # rural and remote Canadians served</li> <li>▪ # local public institutions</li> <li>▪ # new units provided</li> </ul>

Entrepreneurship & Innovation - Strategic Outcome:

**A competitive and expanded business sector in Western Canada and a strengthened western Canadian innovation system**

### Improve Business Productivity

Description	Expected Result	Performance Indicators
<p>Funding support for projects that support sales growth, or increased productivity of existing businesses/business sectors.</p> <p>Projects that support industry associations to enhance business management capacity within the SME community.</p> <p>Projects that support training and skills development as it relates to entrepreneurship.</p>	Improved business productivity	<p>Output Measures:</p> <ul style="list-style-type: none"> <li>▪ # and nature of targeted business service organizations supported</li> <li>▪ # Advisory services provided</li> <li>▪ # Training sessions provided</li> <li>▪ # Clients trained</li> </ul> <p>Outcome Measures:</p> <ul style="list-style-type: none"> <li>▪ Client satisfaction</li> <li>▪ Funds leveraged</li> <li>▪ Increase in sales</li> <li>▪ Jobs created or maintained</li> </ul>



### Market/Trade Development and Foreign Direct Investment

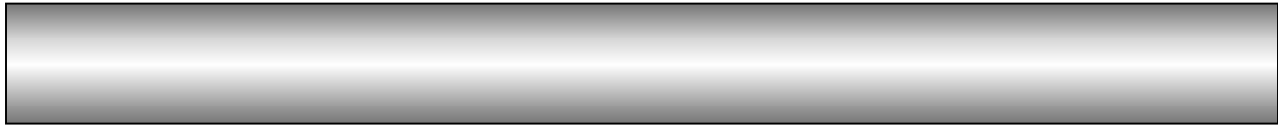
Description	Expected Result	Performance Indicators
<p>Projects that build capacity and knowledge in development of international markets. Results are achieved through a combination of activities undertaken by departmental staff such as participation in Team Canada Inc. and active participation in the Regional Trade Networks, as well as G&amp;C funding support for market and trade development projects.</p> <p>Projects to identify, promote and develop foreign investment in Western Canada</p>	<ul style="list-style-type: none"> <li>▪ Increased participation in international markets</li>   <li>▪ Increased foreign investment in Western Canada</li> </ul>	<ul style="list-style-type: none"> <li>▪ # firms participating in new international markets</li>   <li>▪ direct investment facilitated by WD</li> <li>▪ Funds leveraged</li> </ul>

### Industry Collaboration

Description	Expected Result	Performance Indicators
<p>Projects that support industry collaboration, partnerships and strategic alliances.</p>	<p>Increase in number of successful partnerships and strategic alliances</p>	<ul style="list-style-type: none"> <li>▪ # partnerships/strategic alliances</li> <li>▪ Participant satisfaction</li> <li>▪ Sector coverage of partnerships/strategic alliances</li> <li>▪ Funds leveraged</li> </ul>

### Access to Capital

Description	Expected Result	Performance Indicators
<p>Projects with capital providers (financial institutions, venture capital organizations, etc.) to leverage increased risk capital availability in Western Canada.</p> <p>Projects that provide non-profit organizations with capital for lending to qualified SMEs.</p> <p>Projects that address access to capital issues.</p>	<p>Increased investment in targeted western Canadian firms</p>	<p>Output measures:</p> <ul style="list-style-type: none"> <li>▪ Number and dollar value of loans for WCBSN members</li> <li>▪ Number and dollar value of loan from leveraged loan funds</li> </ul> <p>Outcome measures:</p> <ul style="list-style-type: none"> <li>▪ Value of capital funds provided (WCBSN and leveraged)</li> <li>▪ Dollars leveraged</li> <li>▪ Increase in sales</li> <li>▪ Jobs created or maintained</li> </ul>



**Technology Adoption and Commercialization**

Description	Expected Results	Indicators
Refers to projects where the objective is to introduce new or existing technologies into an entity and/or getting technology products, processes and services to the marketplace. This includes technology demonstration, benchmarking products/capability leading to adoption and projects that focus on commercialization of technologies.	<ul style="list-style-type: none"> <li>▪ An increase in the number of technologies developed in research institutions that have commercialization potential, as demonstrated by intellectual property (IP) protection, licensed to an external user, or form the basis for a new company. The ultimate goal is to bring new products and services to the marketplace</li> <li>▪ Increased technologies adopted by existing firms</li> </ul>	<ul style="list-style-type: none"> <li>▪ # patents Files/Issued</li> <li>▪ # licenses Executed</li> <li>▪ # prototypes developed</li> <li>▪ # demonstrations of technology</li> <li>▪ # technologies to market</li> <li>▪ # spin-off companies formed</li> <li>▪ Venture capital invested</li> <li>▪ Fund leveraged</li> <li>▪ # of technologies adopted</li> </ul>

**Technology Linkages**

Description	Expected Results	Indicators
This sub-activity includes investments in projects that support networks, industry associations and other initiatives or events designed to build synergies among the players of the innovation system. This can include operating costs.	Increased connections and synergies among innovation system members through new partnerships/networks, collaboration, conferences to exchange information and increased awareness	<ul style="list-style-type: none"> <li>▪ # partnerships /networks formed</li> <li>▪ # attendees</li> <li>▪ # members</li> <li>▪ Funds Leveraged</li> </ul>

**Technology Research and Development (R&D)**

Description	Expected Results	Indicators
Investments in projects for applied research and development leading to a new product or process that will have a near or mid-term commercial potential. WD does not fund basic research.	<ul style="list-style-type: none"> <li>▪ Applied R&amp;D leading to technologies with commercialization potential</li> <li>▪ New R&amp;D Centre operating or increased capacity</li> <li>▪ Increased availability of skilled personnel in sector</li> </ul>	<ul style="list-style-type: none"> <li>▪ # projects</li> <li>▪ increase in capacity</li> <li>▪ increase in skilled personnel</li> <li>▪ Funds leveraged</li> </ul>

**Community Innovation**

Description	Expected Results	Indicators
Based on a knowledge infrastructure or a technology focus, WD supports: <ul style="list-style-type: none"> <li>▪ Projects such as planning studies, cluster studies or competitive studies which examine a community's capacity; and,</li> <li>▪ Initiatives, which build capacity in a community.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Planning studies used by the community as a tool for economic development</li> <li>▪ Increased capacity in a community, based on the generation of new knowledge</li> <li>▪ Community businesses adopt/adapt new technologies</li> </ul>	<ul style="list-style-type: none"> <li>▪ # studies</li> <li>▪ # individuals with enhanced skills</li> <li>▪ Funds leveraged</li> <li>▪ Funds invested in knowledge infrastructure or technology commercialization facilities</li> </ul>

### Technology Skills Development

Description	Expected Results	Indicators
Projects that involve training, education and skill building in the technology sector.	Increase in training, education and skill building, in new economy sector	<ul style="list-style-type: none"><li>▪ # training courses</li><li>▪ # people trained</li><li>▪ Funds leveraged</li></ul>

### Knowledge Infrastructure

Description	Expected Results	Indicators
<ul style="list-style-type: none"><li>▪ Investment in projects that result in the creation or expansion of infrastructure such as buildings and equipment dedicated to R&amp;D or training.</li><li>▪ Projects that support application to federal programs such as Canada Foundation for Innovation Support Program (CFI-SP), or planning studies regarding the feasibility of facilities.</li></ul>	<ul style="list-style-type: none"><li>▪ Increase in physical assets for R&amp;D or training</li><li>▪ Attraction of new investments in knowledge infrastructure</li></ul>	<ul style="list-style-type: none"><li>▪ # physical assets</li><li>▪ Funds leveraged</li></ul>