



# Western Economic Diversification Canada

## Performance Report

For the period ending  
March 31, 1999

Canada

## **Improved Reporting to Parliament Pilot Document**

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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## Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis what was known as the annual *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report*.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

This year, the Fall Performance Package is comprised of 82 Departmental Performance Reports and the government's report *Managing for Results - Volumes 1 and 2*.

This *Departmental Performance Report*, covering the period ending March 31, 1999, provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's pilot *Report on Plans and Priorities* for 1998-99. The key result commitments for all departments and agencies are also included in Volume 2 of *Managing for Results*.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine and develop both managing for and reporting of results. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site:  
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# *Western Economic Diversification Canada*



## *Performance Report*

For the period ending March 31, 1999

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Minister for Western Economic Diversification Canada

Canada

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## **Executive Summary**

In 1987, Western Economic Diversification Canada (WD) was created by the federal government to develop and diversify the economy of western Canada. For the first seven years, the Department's primary activity was offering repayable contributions to businesses that were diversifying the economy, helping with industry-wide initiatives, and advocating the interests of western Canada in the federal system.

In 1995, in response to the federal Program Review exercise, WD adopted a new focus. It redefined its vision of economic development, eliminated direct assistance to business, and took on the challenge of finding new ways to develop and diversify the western economy. WD has come a long way in meeting that challenge.

The Department's vision is to be a leader in delivering integrated government service to small and medium-sized business in western Canada. In three years, the Department created core program areas that provide numerous ways of helping clients. Whether the need is access to capital, business counseling, mentoring, hiring skilled new employees, or gaining a voice in Ottawa, WD is there to help small business and western Canadians.

Today, WD is all about helping the people of western Canada become part of a growing and diversified economy: it is about developing projects for the Council for the Advancement of Native Development Officers and the Alberta Indian Economic Development Officers Network to enhance the computer infrastructure among Aboriginal economic development officers in western Canada; it is about helping two young entrepreneurs take their grandmother's recipe for a chocolate confection called "Clodhoppers" from the kitchen to one of the fastest growing companies in Manitoba; and, it is about manufacturing special bicycles for children and adults with physical disabilities.

WD is delivering on the Government's commitments from the Speech from the Throne. It is addressing Government priorities in partnering with Aboriginal communities, in creating jobs for young Canadians, in helping rural communities innovate and adopt technology, and in helping Canada build a better export base.

Through the 100 plus offices of the Western Canada Business Service Network, WD partners with provincial/municipal governments, the voluntary and private sectors to ensure that western Canadians - in urban, rural and remote communities - have access to federal programs and services. Through the activities and programs of the Network, jobs are being created. Last year, more than 8,000 jobs were created for: young people through the International Trade Personnel Program and the First Jobs in Science and Technology Program; for women entrepreneurs through the Women's Enterprise Initiatives (WEI); and, for rural men, women, young people and Aboriginal Canadians, through the Community Futures Development Corporations.

Through the network, Canadians are accessing the capital they need to start and grow small businesses. For the fiscal year ending March 1999, WD's 14 loan investment funds have resulted in financial institutions across the West making more than 243 loans totaling over \$28.5 million to small businesses and entrepreneurs. This is augmented by the Community Futures Development Corporations which made total loans of \$54.8 million to 2,250 rural entrepreneurs. This includes \$5.04 million in loans to 375 young entrepreneurs, and \$4.43 million in loans to 217 entrepreneurs with disabilities. As well, the Women's Enterprise Centers provided total loans of \$3.83 million to 175 women entrepreneurs.

And when it comes to people needing business information, 122,000 web site users were recorded over the past year, almost double the previous year (68,000). Almost 4,000 people over the past year have been given help to prepare business plans which contributed to growing the number of small businesses in western Canada.

WD is specifically designed to respond to the needs of western Canadians on behalf of the federal government. WD's effectiveness lies in its capacity to identify economic priorities and respond quickly and efficiently. The Department's performance in response to the announcement in December 1998 by Atomic Energy Company Limited (AECL) regarding its planned withdrawal from the Whiteshell Laboratories site near Pinawa, Manitoba, by December 2001 produced quick results. By March 31, 1999, WD had negotiated an arrangement through which the Winnipeg River Brokenhead Community Futures Development Corporation (WRB CFDC) will deliver the \$3.75 million in federal community adjustment funds associated with AECL's decision. An initial \$1.25 million had been advanced to the CFDC to be allocated by a Steering Committee of local community leaders. Another example where WD advocated on behalf of western Canadians: WD negotiated an \$18 million federal contribution to a West Coast community adjustment package and a \$7 million Fisheries Loan Program as part of the \$400 million Fisheries Adjustment and Restructuring Program.

The Infrastructure Works Program was originally announced in 1994 and over the spring of 1997, agreements were signed with each province adding more funding. All projects were expected to be completed by March 31, 1999, although there are a few remaining that have been delayed pending environmental clearance. Although the projects were fairly routine infrastructure development works (roads, sewers, water systems, new roofs on local community halls and the like), they were seen to contribute to tangible quality-of-life benefits like clean drinking water and improved traffic circulation, as well as short term job creation.

In addition, WD is working to operate more efficiently and effectively. Internally, WD has refined its service delivery systems by developing processes and systems such as the Client Information System. WD Officers can now record client data immediately, allowing client progress to be tracked and linked with other activities. This information supports the development of other value-added services.



Over the past year, several surveys have been conducted that are detailed in this report that indicate that WD and its partners are doing well at targeting their services in a friendly and effective manner. Always looking for areas to improve or to develop new products and services, the feedback available through these surveys has provided information to lead the way toward an even better service delivery approach and set of products and services for western Canadian Small and Medium-sized enterprises and entrepreneurs.

# I. MESSAGE

## A. *Minister's Portfolio Message*

At the dawn of the new millennium, Canada, with its strong and dynamic economy, is well positioned to take a lead role in the global knowledge-based economy and to realize its benefits for all Canadians. The new global economy is fundamentally different from the one we have known for most of this century: its key building blocks are knowledge, information, innovation and technology, and it is changing at an unprecedented pace. Today, it is important for businesses and individuals to be connected to the Information Highway, but tomorrow it will be essential. Electronic communications are breaking the barriers of time and distance, and the effects are being felt everywhere in Canada, from the largest cities to remote areas where the Information Highway is the only highway.

The Industry Portfolio is ...

Atlantic Canada Opportunities Agency  
Business Development Bank of Canada\*  
Canadian Space Agency  
Competition Tribunal  
Copyright Board Canada  
Canada Economic Development for Quebec Regions  
Industry Canada  
National Research Council Canada  
Natural Sciences and Engineering Research Council of Canada  
Social Sciences and Humanities Research Council of Canada  
Standards Council of Canada\*  
Statistics Canada  
Western Economic Diversification Canada

\* Not required to submit Performance Reports

To keep Canada in the vanguard of this global economy, the government is investing heavily in knowledge, innovation, and connectedness, in order to generate well-paying jobs and a higher standard of living for Canadians. As Minister of Industry, I am responsible for a Portfolio which brings together most of the federal departments and agencies responsible for promoting innovation through science and technology and advancing knowledge. With over 40% of federal spending on S&T, a wide range of programs to help businesses -- especially small- and medium-sized businesses -- in every region of the country, a world-leading electronic commerce framework, and flexible support for exporters, the Industry Portfolio represents a powerful toolkit to help Canada make the transition to the knowledge-based economy and society of the 21st century.

The trend towards globalization also poses other challenges to Canada, which has one of the most open economies in the world. The Industry Portfolio is working with partners in the public and private sector and in academia to help Canadian companies respond and adapt to these challenges, so they can become and remain competitive in the global market. The government's agenda is based on seizing the opportunities presented by the global economy to create jobs and wealth for Canadians, and the Industry Portfolio has a key role in delivering this agenda.

I am pleased to present this Performance Report for Western Economic Diversification Canada. This report shows the contribution that Western Economic Diversification Canada is making to the government's agenda by setting out the commitments that Western Economic Diversification Canada has made and measuring its success in meeting these commitments over the 1998-1999 fiscal year.

Over the last fiscal year, WD contributed to the "Connecting Canadians" initiative by expanding the electronic connections of its business services network to reach every community in the West. WD helped over 900,000 small businesses and micro businesses by providing advice, counselling and assistance with business planning, access to capital and exporting. Through a series of innovative partnerships, WD acted as a catalyst in bringing together federal government departments, the provincial governments, industry and universities to secure funding for leading edge research and development projects which will give western Canadians a strong stake in the knowledge-based economy.

I am proud of the contribution the Industry Portfolio makes toward the government's priorities of building a stronger Canada, creating opportunities for Canadians, and investing in knowledge and innovation.

---

The Honourable John Manley

## **B. Secretary of State's Summary**



**Ron J. Duhamel**

Over the 1998-99 fiscal year, Western Economic Diversification Canada (WD) continued to encourage the development and diversification of the western Canadian economy by delivering integrated government service to small and medium-sized enterprises (SMEs) and coordinating federal economic activities in the West.

In 1995, WD reorganized to become more client-service oriented and responsive to the needs of western Canadians. Over the last four years, WD has evolved from a four-office department offering repayable loans to a business support network offering services to entrepreneurs from over 100 locations in the West.

WD's effectiveness lies in its ability to assess changing economic trends, anticipate needs and opportunities and respond to them quickly, while at the same time advancing the overall agenda of the Government of Canada.

Canada is making the transition to a new economy, one that's based on knowledge and innovation. Western Canada is very much a part of the incredible rise in high-knowledge activity. WD is helping SMEs face the challenges that this new economy brings and exploit the opportunities by assisting them to become more innovative and productive. As the phenomenon of globalization continues to modify the environment in which businesses operate, WD is helping businesses compete not just with the company on the other side of the street, but also with the company on the other side of the world.

This year, WD continued to expand its business services network with the addition of a Community Futures Development Corporation (CFDC) to serve the Queen Charlotte Islands, as well as several Canada Business Service Centre satellite offices to serve rural areas. Through our business service network, we reach into every community in the West. We've helped over 900,000 small businesses and micro businesses by providing advice, counseling and assistance with business planning, access to capital and export markets.

Partnerships have become key to the way in which the Department operates. Through a series of innovative partnerships, we've made some major strides. WD acted as a catalyst in bringing together federal government departments, the provincial government, industry and universities to secure funding for a leading edge research and development project at the University of Saskatchewan. The Synchrotron project, a light source millions of times brighter than medical X-rays, will be used to develop new drugs and biomedical implants.

Another major partnership accomplishment is the renewal of the Western Economic Partnership Agreements with the provinces of Alberta, Saskatchewan and Manitoba. The agreements provide \$120 million in federal and provincial funding over five years for economic priorities. They will create new employment opportunities and help boost economic growth in the West. It is hoped that the fourth and final agreement can be put in place with British Columbia, bringing the total federal provincial funding to \$160 million.

WD uses its resources to bridge the gaps which prevent some segments of our society from getting started in business by providing economic opportunities for youth, Aboriginal and francophone entrepreneurs and entrepreneurs with disabilities.

This year, for example, WD implemented Urban Entrepreneurs with Disabilities Initiatives in Edmonton, Calgary, Winnipeg, Saskatoon and Regina to assist persons with disabilities to realize their entrepreneurial dreams. Modeled on an existing program delivered in the West by the CFDCs, these initiatives deliver business services and access to capital to entrepreneurs with disabilities.

WD, together with Industry Canada, Indian and Northern Affairs Canada and the other federal regional agencies, is coordinating the Aboriginal Business Services Network to provide enhanced business services to Aboriginal people.

Western Economic Diversification prides itself on being truly responsive to community economic development needs. This year, WD has assisted fishing communities on the West Coast in times of restructuring and has helped to mitigate the impacts of the closure of the Whiteshell Laboratories in Manitoba.

This report sets out WD's accomplishments and demonstrates our contribution to meeting the priorities of the Government of Canada. I am confident that WD will continue to offer programs and services that are relevant to the needs of western Canadians.

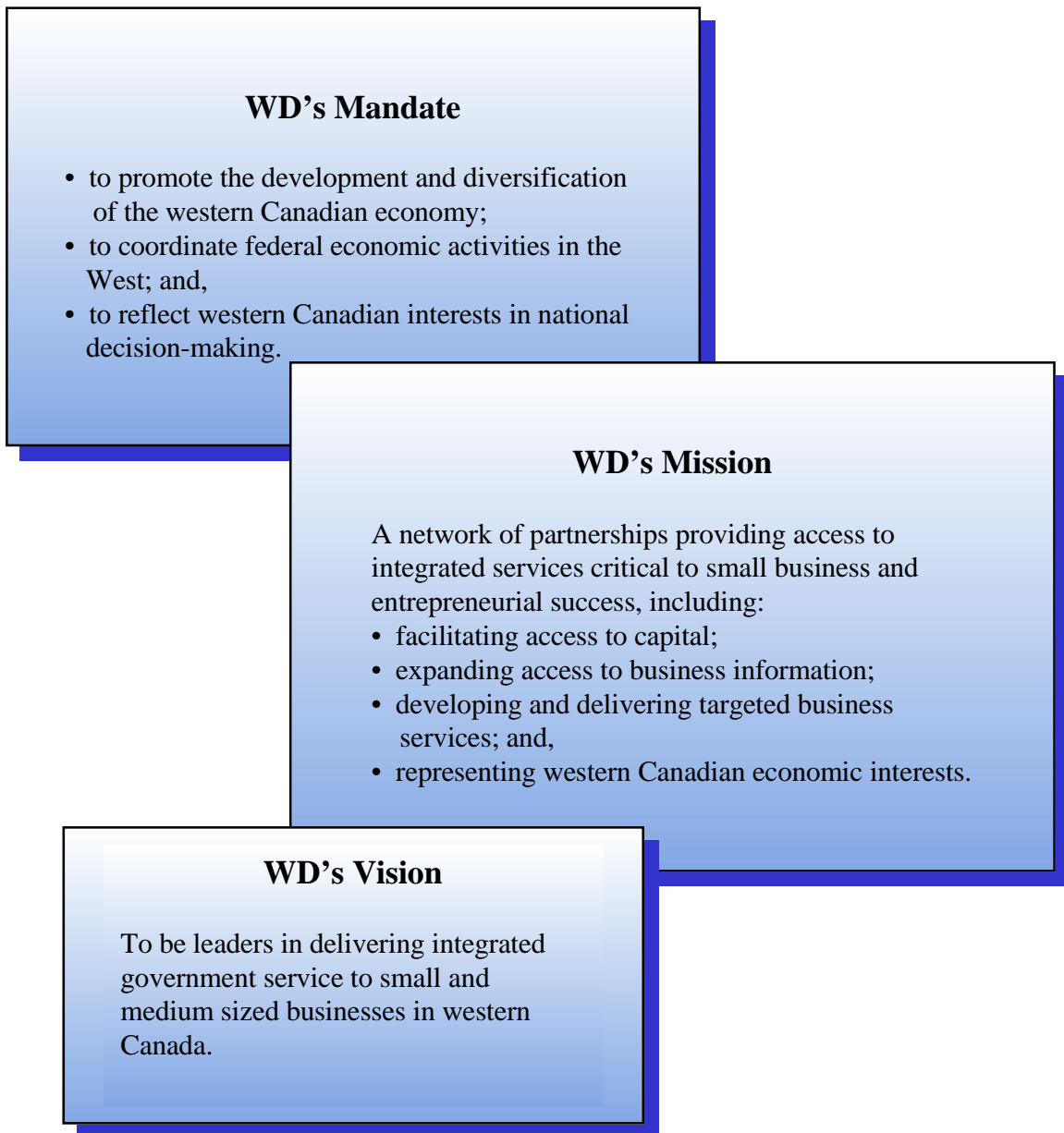
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The Honourable Ron J. Duhamel

## II. Departmental Overview

### A. *Mandate, Mission and Vision*

WD's mandate is defined in the Western Economic Diversification Canada Act of 1988. The Act enables the Department to play an innovative and responsive role on behalf of the Government of Canada in providing western Canadians with policies, programs, and services that promote economic opportunities.



WD's critical success factors in the pursuit of its mission and vision, against which all of its activities must be measured, are the degree to which it provides western Canadians with:

- effective programs;
- excellent service;
- innovative partnerships;
- efficiency; and,
- continuous improvement.

### ***B. Operating Environment***

Western Economic Diversification Canada is a member of the Industry Portfolio. The Minister of Industry has the lead responsibility for the implementation of the Jobs and Growth Agenda, a primary focus of the Industry Portfolio. WD contributes to this objective in western Canada through innovative programs to expand SME access to capital and business information, the delivery of national programs, and community-based support for entrepreneurs. One of the department's primary contributions to the Portfolio is expanding access to service by western Canadian business people and entrepreneurs, particularly in rural and remote communities.

The key to WD's service strategy is the consolidation and expansion of the Western Canada Business Service Network (WCBSN) which is a partnership of business service centres in urban, rural and remote communities in the West. Building on the strengths of partner organizations (over 90 Community Futures Development Corporations (CFDCs), 4 Women's Enterprise Initiatives (WEIs) and 4 Canada Business Service Centres (CBSCs)), the Network provides a full range of services to small business and extends the reach of federal government services to smaller communities in the West.

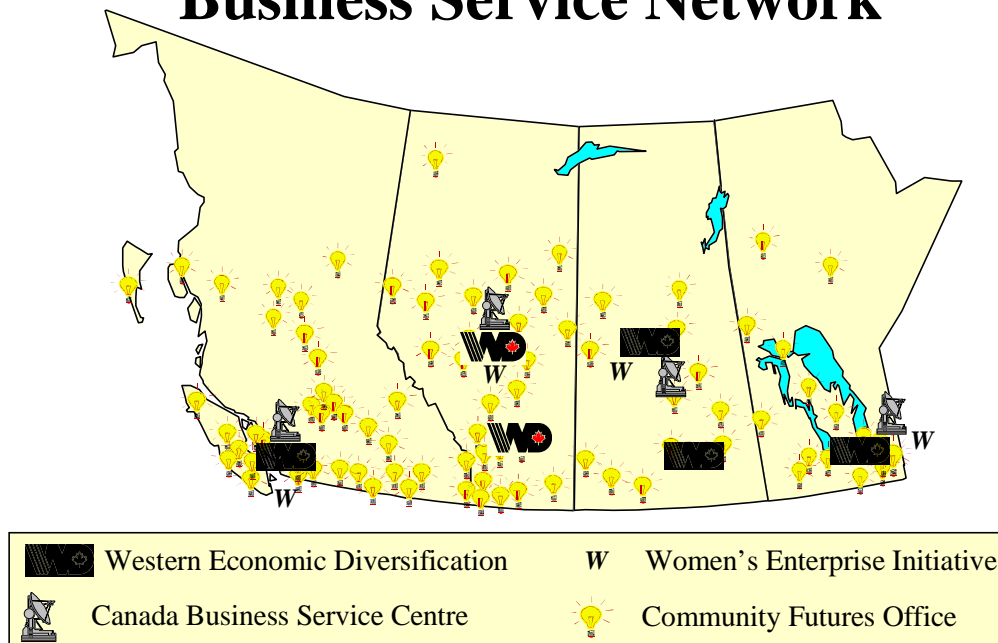
WD also takes pride in the many collaborative arrangements that have made many of the programs and services possible. Partnerships have been forged with Aboriginal organizations, francophone groups, and entities affiliated with persons with disabilities, many financing institutions, other federal departments, and other levels of government. Examples of these partnerships will be detailed later in this report.

*WD is a member of the Industry Portfolio and provides access to services to entrepreneurs in rural and remote communities.*

*The Western Canada Business Service Network (WCBSN) provides a full range of services to small business.*

*Building relationships, partnering and collaborating helps WD to meet the needs of western Canadians.*

# Western Canada Business Service Network



**Figure 1: The Western Canada Business Service Network**

## 1. Objectives

To promote economic diversification in western Canada in a manner that provides added influence for the West in national policy and decision making, that improves client services in the West and that facilitates federal-provincial coordination.

(Part II, Main Estimates)

WD's key objectives for 1998-99 continued to flow from priorities articulated in the 1996 Speech from the Throne, which outlined in particular, the Government's plan for "A Strong Economy", including ensuring opportunities through the "Jobs and Growth Agenda". The Jobs and Growth Agenda is comprised of four objectives:

- creating a climate in which SMEs can prosper;
- encouraging the development and application of new technologies;
- enhancing economic opportunities for Canada's youth; and
- increasing the number of western businesses involved in international trade.

*The 1996 Speech from the Throne continues to provide a context for WD through the "Jobs and Growth Agenda".*



## 2. Strategic Priorities

The focus of WD's programs is small and medium-sized business, the engine of job creation in western Canada in recent years. Through the Western Canada Business Service Network, WD provides access to information and capital to over 300,000 small businesses and over 600,000 micro businesses, which together provide jobs for over 2 million people.

*The West accounts for about one third of Canada's population.*

WD defines excellent service from the clients' perspective: relevant and value-added to small business, timeliness, accessible and responsive to the changing needs of business - balanced against measures of program efficiency and effectiveness. WD continuously identifies clients' evolving needs by analyzing feedback and recommending options to senior management regarding gaps and improvements in product and service delivery, by focusing on:

<b>Access to Capital</b>	To increase access to financing for SMEs, with a focus on key growth industries
<b>Access to Markets</b>	To increase the number of western SMEs selling to international markets and sales for those western firms already exporting  To increase sales to government for western SMEs
<b>Access to Information</b>	Enhance SMEs access to government and other relevant information
<b>Access to Innovation</b>	Assist SMEs to compete in the global market-place through innovative strategies and technology development and commercialization
<b>Access to Skills</b>	Upgrade management skills and access to a trained workforce
<b>A favorable Business Climate</b>	Address barriers to SMEs such as administration of government regulations

WD's programs and services are designed to address these needs and are targeted to small business, entrepreneurs in rural and remote communities, women, youth, Aboriginal entrepreneurs and entrepreneurs with disabilities.

Advocacy is central to the mandate of the Department and integral to the delivery of its programs. To represent western interests in national decision making, WD administers a three-tiered advocacy program - the first tier is focused on policies and programs affecting economic development in western Canada, the second on federal procurement and the third on representing western interests in national decision making.

Working on behalf of western Canadian SMEs and entrepreneurs, WD advanced the interests of the West through appropriate interventions, including such examples as:

- Managing interdepartmental discussions and guiding the preparation of documents for federal participation in \$100 million in flood protection in the Red River Valley in Manitoba.
- Negotiating a \$18 million federal contribution to a West Coast community adjustment package and a \$7 million Fisheries Loan Program as part of the \$400 million Fisheries Adjustment and Restructuring Program.

WD also monitored issues and addressed those having the potential to affect western Canadians. Through our internal Advocacy Agenda, WD acted on some 80 items including Human Resources Development Canada's (HRDC) "Canada Jobs Fund" and Memorandum Of Understanding; Aquaculture; Geoconnections; Technology Partnership Commercialization, Northern Economic Development; Canadian Small Business Financing Act; Immigrant Investor Program; Water Export Strategy; Program for Export Market Development; and Ground Transportation, to name a few.

The Deputy Minister of WD has struck a team of senior members of the Industry Portfolio departments (Industry Canada, National Research Council, and the Business Development Bank) with offices located throughout western Canada. This group of senior officials meets on a quarterly basis to exchange information and devise ways for their organizations to collaborate on shared priorities and objectives. Establishing a mechanism to collaborate on activities to present a united front and seamless delivery of information to western Canadians is one of the many activities that is being undertaken.

*WD coalesced the interests of various provinces, industry and universities and assisted in the preparation of an application to the Canadian Foundation for Innovation - the \$180 million Canadian Light Source Project.*

*The Deputy Minister of WD meets regularly with Industry Portfolio senior officials located in the West to explore ways to collectively serve the needs of western Canadians.*

### 3. Challenges

WD's effectiveness lies in its ability to assess changing economic trends, anticipate needs and opportunities, and to respond to them quickly and efficiently, while simultaneously advancing the Government's overall policy agenda. This requires an understanding of the fundamental economic challenges facing western Canada, which interact to create the environment in which WD operates.

The first challenge is to keep pace with changes to the western Canadian economy. New trading arrangements, deregulation, instant communication, electronic data transmission and greater mobility of capital have altered the economic fabric of western Canada. Small and micro businesses account for half of all jobs in western Canada.

*269,000 started new businesses in the West from 1988 to 1998 (Labour Force survey, Statistics Canada).*

The second challenge relates to the cornerstone of western Canada's economy: natural resources. In the last ten years, there have been efforts to develop "downstream" economic activities but, in the near future, western Canada will remain a strong resource-based economy. Consequently, economic development must be grounded in a sustainable development approach to ensure maximum utilization of those renewable and non-renewable resources while protecting the environment and supporting a positive social benefit impact to the extent possible.

*Today, economic activity in the primary sectors make up 15 percent of output in the West compared to 3 percent in the rest of Canada.*

The third challenge relates to the fundamental way that business, both for-profit and not-for-profit, is conducted. Today, partnerships, clusters and alliances are as common as stand-alone firms. Businesses must be sensitive to cultural differences among clients, stakeholders and employees. They must be seen to play an active role in community development, and must recognize the essential role of volunteers in a society, which realizes that the not-for-profit sector can contribute as much to economic development efforts and raising the standard of living as the for-profit sector. Effective community development is possible only with the strong commitment displayed by volunteers.

*Six loans totaling \$83,000 were approved through the Urban Youth Entrepreneurship Initiative of the sixteen participants who completed the Edmonton Jump Start Young Entrepreneurs Project administered through the Edmonton Mennonite Center for Newcomers.*

As well, there is the challenge of harmonizing growth among urban and rural communities. Urbanization has been a growing phenomenon, with a corresponding depopulation of rural areas. As western Canadians and new arrivals from other countries migrate to larger cities, the need to balance development and rapid growth with lifestyle and ethno-cultural factors becomes pronounced. Revitalizing rural and one-industry communities poses another set of economic challenges.

Constant change, the increasing interconnectedness of all sectors in our resource-based economy, the emergence of new business concepts, including the impact of information technology and e-commerce, and balancing urban and rural growth are fundamental in WD's operating environment. In order to be effective in diversifying the western Canadian economy, WD must be able to shift priorities, to view the economy in an inclusive manner while dealing with specific issues, and to master the changing nature of the way business is conducted.

The complexities involved in building effective partnerships have captured the attention of WD over the past several years, particularly when the responsibility for CFDCs in the West was transferred from Human Resources Development Canada to WD. WD has been successful in working with CF provincial associations and CFDC representatives to streamline administrative processes for the CF Program including five year funding provided under the terms of a new contract format. The new contracts have strengthened the accountability framework governing the relationship between WD and the CFDCs, the requirement for an annual operations plan, improved reporting against performance targets, and standardized audited financial statements. A similar streamlining effort is underway with respect to administrative processes in place for CF provincial association agreements and Women Enterprise Centres (WEI) agreements. WD will endeavor to look for other future opportunities continuously to improve relationships and processes that will enhance the success of these partnerships.

The evaluation on the Loan Investment Fund Program conducted by Ekos Research Associates determined that, on the whole, the Program was being implemented and working as intended. There had been a perceived lack of access to financing among small businesses and the Program and its terms and conditions were found to address that gap. The involvement of commercial lenders and the way WD leverages private-sector capital is viewed as being efficient. Moreover, the loans are delivered at great convenience and with little red tape, directly to businesses to the satisfaction of clients. Ekos also commented that clients were most satisfied with the professionalism of WD's staff (89 percent), the application process (83 percent), the explanation of how the Program works (77 percent) and the timeliness of response to service requests (76 percent).

A final challenge for WD is the development of a Planning, Reporting and Accountability Structure (PRAS) that will link the legislated mandate of WD with the programs and services delivered by WD. WD is currently examining its inventory of products and services and expects to develop a PRAS during

*WD has developed an Interactive Business Planner program on the Internet (<http://www.cbsc.org/ibp>). Since February 1999, 7,500 business plans have been written.*

*WD and the CFDCs in western Canada work closely with the National Advisory CFDC Group to identify opportunities to enhance program delivery outside of the major urban areas.*

the 2000 calendar year. Accordingly, linking financial and non-financial performance information is possible only at a macro level as indicated in the Financial Summary information.

### *C. Departmental Organization*

The key operating context for WD's core programs has been to make effective use of its grants and contributions budget through strategic partnerships, continuously advancing our use of information technology, and strengthening services to business clients through innovative programs and services. To respond effectively to the needs of western Canada the Department has structured itself into several business lines and a series of core programs. There are four business lines and three core programs. The business lines are:

- **Capital Services:** develop targeted Loan/Investment Fund Programs, offered in cooperation with private and public sector financial institutions, as well as other assistance in accessing conventional loan/equity financing. The Funds were established in response to small business' need for financing in soft-asset and new economy areas.
- **Information Services:** increase use of information technology to provide cost-effective business information products by tailoring information to the needs of SMEs and entrepreneurs in western Canada.
- **Targeted Business Services:** provide assistance to SMEs and entrepreneurs to develop business plans, sell to international and public sector markets, and initiatives to streamline small business regulations.
- **Service Partnerships:** develop and implement innovative and/or alternate service delivery arrangements, which meet the needs of western Canadian communities, SMEs and entrepreneurs.

The three programs are:

- **Strategic Initiatives and Special Projects:** develop public/private partnerships, federal, provincial and tripartite economic development initiatives to help SMEs compete in the Canadian and global markets.
- **National Programs:** deliver national economic development programs, including the Infrastructure Works Program, special community economic adjustment initiatives and relief/assistance.
- **Legacy Programs:** manage the administration and recovery of repayable contributions within the terms of contribution agreements made in previous years under the Western Diversification Program (WDP), the Industrial Regional

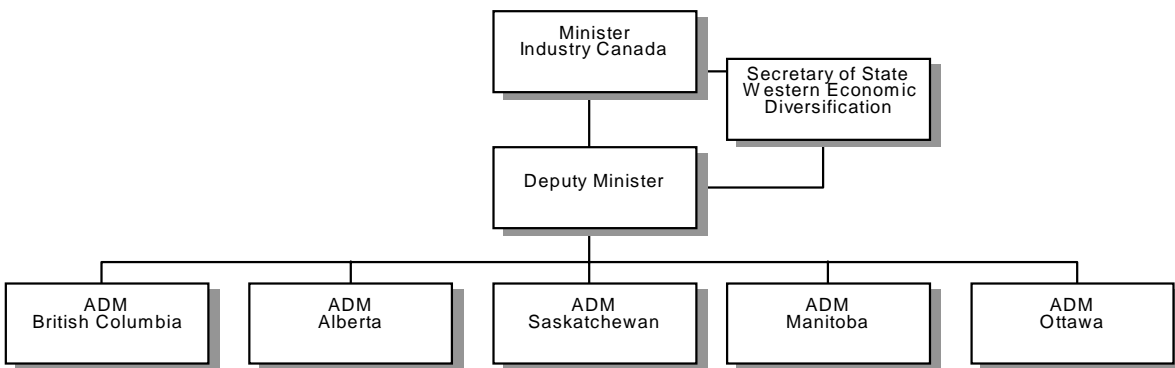
Development Program (IRDP) and the Western Transportation Industrial Development Program (WTID).

**D. Organization Chart**

The Department's Head Office is located in Edmonton, Alberta, co-located with the Regional Office for Alberta. There are also Regional Offices located in each of the other western provinces, in Winnipeg, Saskatoon and Vancouver, and a Liaison Office located in Ottawa. Regional satellite offices have also been opened in Calgary and Regina.

*Satellite offices have been opened in Calgary and Regina to improve access for our clients.*

The Department reports to the Minister of Industry, who is assisted by the Secretary of State (Western Economic Diversification Canada). The Department has extended the reach of federal government services to small business through the partnerships such as the WBCSN (see Figure 7), and with other federal government agencies and community-based organizations. These partnerships leverage government human resources and promote best practices in single-point-of-contact service to small business.



**Figure 2: Western Economic Diversification Canada Organizational Structure**

Under the direction of an Assistant Deputy Minister, supported by a dedicated secretariat, each office has functional leadership of one or more of the business lines/program delivery areas, as follows:

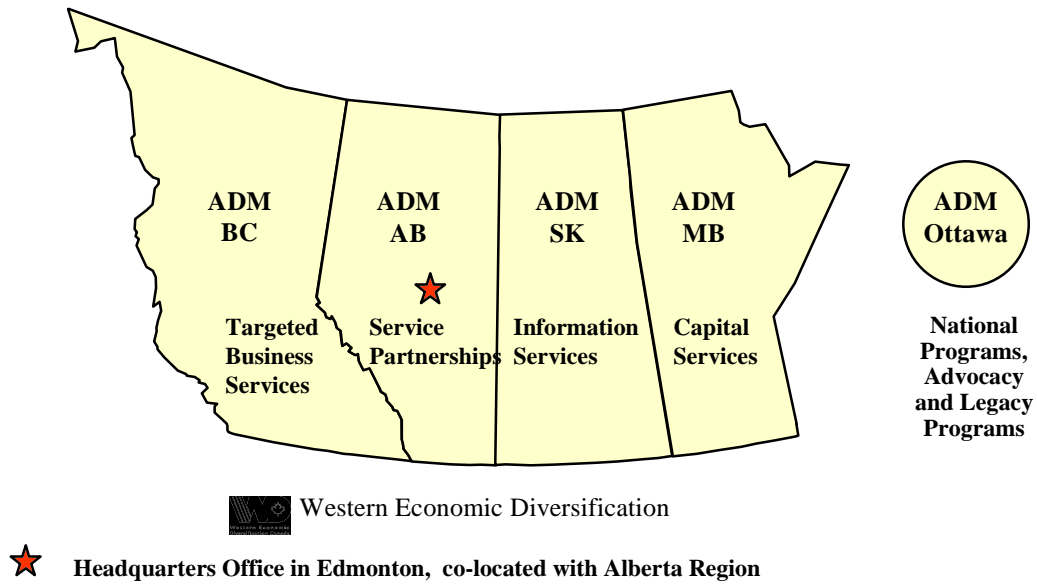


Figure 3: Business Lines and Core Programs

In addition, Regional Assistant Deputy Ministers are responsible for the regional delivery of all WD programs and services, and for line management of their respective administrative and support services.

### III. Departmental Performance

#### A. Chart of Key Results

Western Economic Diversification Canada		
to provide Canadians with :	to be demonstrated by :	achievements reported in:
Economic development programs for western communities	<ul style="list-style-type: none"> <li>New economic development programs in partnership with: provincial governments, urban municipalities, communities, and strategic client groups</li> <li>Economic impact of programs and partnerships</li> </ul>	<ul style="list-style-type: none"> <li>See Figure 16: National Programs</li> <li>See Figure 1: The Western Canada Business Service Network</li> </ul>

<p>Service to small business and entrepreneurs through innovative partnerships and client-centered service</p>	<ul style="list-style-type: none"> <li>• Jobs created, new business opportunities found</li> <li>• Achievement of client service standards</li> <li>• Client satisfaction rates</li> <li>• Trend in numbers of small and medium-sized exporters</li> <li>• Degree of geographic coverage by an integrated Service Delivery Network points (including Canada Business Service Centers, Community Futures Development Corporations and Women’s Enterprise Centers)</li> <li>• Degree of target group coverage (e.g. youth, francophones, women, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• See Figure 9; Service Partnerships</li> <li>• See Section III D.3. and Figure 10 Information Services</li> </ul>
<p>Capital for small businesses and entrepreneurs</p>	<ul style="list-style-type: none"> <li>• Small business start-ups, growth rates, and longevity</li> <li>• Delivery efficiency</li> <li>• Client satisfaction rates</li> <li>• Utilization rates</li> <li>• Degree of coverage in rural areas, key growth industries and technology sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Figure 11 Capital Services</li> </ul>
<p>Help from the federal government in times of crisis</p>	<ul style="list-style-type: none"> <li>• Westerners’ response to flood assistance (client satisfaction)</li> <li>• The normalization of activities in areas affected by disaster</li> <li>• Jobs created through economic restructuring</li> </ul>	<ul style="list-style-type: none"> <li>• See Figure 16: National Programs</li> </ul>
<p>Representation of western interests in national decision making</p>	<ul style="list-style-type: none"> <li>• New procurement opportunities afforded to western Canadian business</li> <li>• Reflection of western interests in Canada’s international and domestic policies (environment, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• See Figure 13: Strategic Initiatives</li> <li>• See info on WD’s Advocacy program on page 9</li> </ul>

**Figure 4: Chart of Key Results**



## **B. Performance Expectations**

In response to Program Review in 1995, over the last four years the Department has evolved from a four-office agency providing interest-free loans, to a one-stop business support network where entrepreneurs can access a wide array of services from over 100 offices in western Canada. Western Canadians rely on WD to promote economic development and diversification in their communities; put a human face on federal economic activities; and reflect their interests in national decision making.

At the same time, WD continues to respond in the West as a member of the Industry Portfolio. The Minister has outlined the Industry Portfolio focus as: promoting innovation through science and technology; encouraging trade and investment; helping small and medium-sized enterprises to grow; promoting economic growth in Canadian communities; improving the coordination of Portfolio communications; realizing the potential of the Portfolio's people; and measuring the Portfolio's performance.

WD's performance expectations are conveyed most clearly according to the Department's business lines and core program areas. Part D summarizes the performance expectations and results for each business line and core program area which were originally presented in the 1998-99 Report on Plans and Priorities.

## **C. Performance Accomplishments**

Throughout WD's performance accomplishments exists a common thread of delivering on commitments made by the federal government in the Speech from the Throne which opened the 36<sup>th</sup> Session of Parliament. Whether it's creating employment opportunities for youth in rural and urban areas, building partnerships with Aboriginal communities, fostering innovation and creativity, or building opportunities in international trade, WD is on the ground in western Canada delivering on government commitments.

*WD, in Ottawa, monitored the Advocacy Agenda items and assessed over 80 national issues in an effort to influence federal policy decisions on behalf of western Canadian SMEs.*

*WD, with partners from the Industry Portfolio and the four western provinces, is exploring science and technology options focusing on innovation and how to take advantage of a knowledge-based economy.*

A major partnership accomplishment involved WD's renewal of the Western Economic Partnership Agreements with each of the western provincial governments. The five-year agreements are creating new employment opportunities and enhancing economic growth through strategic areas of mutual interest. Agreements have been signed with the provinces of Alberta, Saskatchewan and Manitoba, and negotiations are proceeding in British Columbia. The four agreements are worth \$160 million in federal and provincial contributions toward economic priorities over their five year life span. Each agreement is required to undergo a full program evaluation which will provide information on the degree to which the objectives in the Chart of Key Results, and other objectives, are being met. In 1998-99, Alberta approved 29 WEPA projects for a total commitment of \$12 million, Manitoba approved 23 projects worth over \$23 million, and Saskatchewan approved 16 projects with a total commitment valued at \$21 million.

**Figure 5: The Western Economic Partnership Agreements (WEPA)**

As a small organization, WD has the flexibility to react quickly to emerging priorities and issues. But, perhaps most importantly, WD represents the federal government to individuals in western Canada. The Department takes pride in knowing and being able to relate to its clients. Whether it is helping a new graduate get his first job, assisting a budding entrepreneur with her business plan, or helping re-start a business that's been decimated by a flood, the Department meets the needs of Canadians.

*In fiscal 1998/99 the full Phase 1 (Canada-Manitoba Agreement of 1997 Red River Valley Flood Proofing and Dike Enhancement) was initiated and completed at a cost of \$30 million (\$15 Federal, \$15 Provincial).*

WD has in place a tracking program to monitor awareness of WD and our three service network partners among the population of small and medium-sized enterprises (SMEs) in western Canada. The results of the surveys to date show the following levels of awareness among a random sample of SMEs.

Service Partner	July 1998	July 1999
WD	60%	57%
CFDCs	50%	51%
WEI	40%	30%
CBSCs	25%	28%

**Figure 6: Results from Angus Reid Group studies (July 1998, July 1999)**

- Survey results show a high level of client satisfaction with WEI services: 94 percent found the number and type of networking sessions met or exceeded expectations; 89 percent found knowledge of presenters at training sessions to meet or exceed expectations; 83 percent found training sessions pertinent to their needs; and, 78 percent found counseling sessions to meet or exceed expectations. Client satisfaction with the loan process is lower than with business services. (Jim August Consultants evaluation, Dec 1998).
- Most small business clients are satisfied with their last contact with the CBSC (83 percent of respondents expressing an opinion), as well as with the information they received (81 percent) and the assistance they received from staff (91 percent) over the last year. 96 percent of those clients who received referrals and followed-up were satisfied with those referrals. 63 percent of clients intend to use the Centre again in the next 12 months (FERENCE-WEICKER survey, October 1998). Although most clients are satisfied with the information and assistance they have received over the past year, the CBSCs will be reviewing and revising their service standards to ensure they are client-driven, and based on pivotal client requirements that are visible to and measured by the client.
- In their 1998/99 business plans, CFDCs were asked to identify service standards in place to provide quality client service. 28 of the 87 CFDCs who received funding in 98/99 have service standards in place. CFDCs are also putting in place mechanisms to understand customer expectations as the first step in delivering high quality service. As they develop an accurate understanding of what clients expect, they will use this knowledge to set service quality standards and goals for the upcoming years.
- A survey of WD's clients (Angus Reid Group, December 1999) found that WD is currently performing well on nine of the most important service attributes. Over three-quarters (77 percent) of WD clients indicated they are likely to use WD's services again and most would recommend WD's services to other businesses. Client service staff are easy to reach, competent, well trained, helpful, and handle requests with professionalism and courtesy. Clients rate staff positively for their business knowledge and their responsiveness to telephone call or e-mail inquiries.

WD entered into several service delivery agreements to address the business needs of Aboriginal people, francophone communities, entrepreneurs with disabilities, and youth including:

- special arrangements with two Saskatchewan Aboriginal Capital Corporations (ACCs), in addition to two Alberta ACCs the previous fiscal year;
- core funding of provincial francophone economic development organizations in each of the four western provinces (la Société de développement économique de la Colombie-Britannique, la Chambre économique de l'Alberta, le Conseil de la coopération de la Saskatchewan, le Conseil de développement économiques des municipalités bilingues du Manitoba);
- implementation of Urban Entrepreneurs with Disabilities Initiatives (UEDI) in Edmonton, Calgary, Winnipeg, Saskatoon, & Regina to deliver business services & access to capital to entrepreneurs with disabilities; and,
- extension of the Community Economic Development Internship Program to allow CFDCs and WECs to continue community-based programming including programs targeting youth.

**Figure 7: Service Partnership Service Delivery Agreements**

***D. Detailed Performance Accomplishments by Business Line/Core Program Area***

**1. Targeted Business Services**

**WD is: Targeted Business Services - getting entrepreneurs the help they need to start and grow new businesses.**

*HARS Systems and VIP International provide computerized reservation systems to the airline, hotel and car rental industries. The company wanted to build on its long history of innovation in electronic reservations by selling value-added services to the company's clientele and improve their market share.*

*They came to WD three years ago for help in hiring additional staff. HARS hired five recent graduates through the International Trade Personnel Program. This has enabled the company to select high quality raw talent and put graduates to work in an exciting industry. With the help of the five new staff, the company has been able to compete with large European and North American firms. In the last three years, HARS Systems and VIP International have increased their revenues by \$3 million and have quadrupled their profits.*

*Kelsan Lubricants based in North Vancouver, makes lubricants for the transportation industry. Their products have received worldwide attention from major rail and transportation companies like the Chunnel Rail System and the Vancouver Skytrain. When chemist Kelvin Chiddick purchased the company ten years ago, he was like many entrepreneurs, just starting out. As a one-man show, he had to be involved in all aspects of the company. This left him little time to do things he was really good at such as*

*product development. But as sales declined due to new and better lubricant products from California, he realized that new product development was essential.*

*Faced with this challenge, in 1989 Mr. Chiddick approached Western Economic Diversification Canada for assistance. WD provided \$45,000 to help him in development and manufacturing. Since then, Kelsan has accessed \$1,000,000 from the Business Development Bank through WD’s Knowledge-Based Industries loan fund. The company has used the loans to help develop and manufacture a line of premier lubrication products, market those products worldwide, further its R and D efforts and purchase new equipment.*

*WD’s First Jobs in Science and Technology program and International Trade Personnel Program have also helped the company hire recent science and marketing graduates to assist in diversifying its market base. Kelsan has had considerable success selling to port crane operators as a result. The five-year-old company’s revenues doubled in the six months ending March 31, 1999.*

Together with its partners, WD provides a range of services to business, including information, planning, counseling and financing designed to meet the specific needs of entrepreneurs and small and medium-sized businesses. This includes information on government assistance programs for business; economic, industry-specific and comparative financial information; business loans; and business planning and counseling assistance, including seminars on specific topics of interest to entrepreneurs such as business financing and exporting. This occurs directly through client service delivery staff located in each of WD’s six service delivery offices in western Canada, and indirectly through a network of partnerships with other business service organizations, such as the CFDCs located in communities throughout western Canada. The chart below summarizes the activities and accomplishments of the six service delivery offices of WD; the work of the network partners is addressed in Section III C 2 to follow, entitled “Service Partnerships”.

<b>Targeted Business Services</b>		
<b>Outcomes</b>	<b>Measures</b>	<b>Results</b>
1. 800 small and medium-sized businesses (WD clients) will become new exporters having achieved a first or sustained <u>export</u> sale to an international market by the year 2000	Trends in the number of participating SMEs that achieve first or sustained export sales	<ul style="list-style-type: none"> <li>• 1300 clients received “Getting Ready to Export” services</li> <li>• 114 projects of 145 applications were approved under the “International Trade Personnel Program” (151 positions created)</li> <li>• 35 export planning seminars were attended by 757 clients</li> </ul>

		<ul style="list-style-type: none"> <li>• 412 clients received one-on-one counseling</li> </ul>
2. 180 small and medium-sized businesses (WD clients) will achieve a first sale or increased sales to the public sector market by the year 2000	Trend in the number of participating SMEs that achieve either first-time sale to public buyers or higher than average rates of growth in public sector sales	<ul style="list-style-type: none"> <li>• 650 clients served</li> <li>• 2 Major Crown Projects involving 40 clients</li> <li>• 14 “Selling to Government” seminars were held and attended by 526 clients</li> <li>• One-on-one counseling was provided to 121 clients</li> </ul>
3. WD staff will respond to and satisfy 15,000 client inquiry and information request services and diagnostics and thereafter increase the number of clients served by 20 percent annually	Trend in the number of client inquiries and requests satisfied	<ul style="list-style-type: none"> <li>• 25,000 business inquiries lasting less than 30 minutes</li> </ul>
4. WD staff will directly provide options assessment and action planning services to 3,000 clients leading to 1,500 completed business plans in 1998, and thereafter increase the number of clients receiving direct assistance to complete plans by 20 percent annually	<p>Trend in the number of clients:</p> <ul style="list-style-type: none"> <li>• Using WD’s options assessment and action planning services</li> <li>• With completed business plans</li> </ul>	<ul style="list-style-type: none"> <li>• 134 percent of the target, or 3,900 clients received business planning services</li> <li>• 147 projects of 180 applications were approved for the First Jobs in Science Technology Program (224 jobs created)</li> <li>• 19 financing seminars were attended by 532 clients</li> <li>• 57 business planning seminars were attended by 1,476 clients</li> <li>• 1,720 clients received one-on-one counseling services</li> </ul>

**Figure 8: Targeted Business Services**

## 2. Service Partnerships

**WD is: Service Partnerships, offering 100 plus points of face-to-face service in western Canada**

*Ten years ago, Walter and Gloria Rudy quit farming and opened a small business, Interlake Resources. Their company is a warehouse distribution centre for Bosch automotive products. In 1998, they became a distributor for 3M Canada for its reflective tape product. In less than a year, Interlake has become 3M's top distributor due to the volume of its 3M sales and the low pricing of the product. When the Rudys first opened Interlake Resources, they were the only employees. The business demanded a lot of travel. They couldn't afford a reliable vehicle, so Newsask Community Futures Development Corporation provided a loan for one. Four years ago, the Newsask CFDC provided Interlake with another loan to use for expansion of its product line. Since then Interlake's sales have more than doubled and Interlake Resources has grown to include two more full-time employees and one part-time person, as well as a part-time sales person on the road. Walter Rudy says the company wouldn't be where it is today without the assistance of the Newsask CFDC.*

The following programs and services were available to small business through our partnership services:

- community economic development services delivered by CFDCs;
- direct access to capital through CFDCs and WECs;
- technical and advisory services;
- business information services;
- training and skills development services;
- Urban Entrepreneurs with Disabilities Initiatives (UEDI);
- Entrepreneurs with Disabilities Program (EDP);
- Western Youth Entrepreneurship Program delivered by CFDCs; and,
- an environmental law centre was established in Edmonton to support service partners and their clients.

<b>Service Partnerships</b>		
<b>Outcomes</b>	<b>Measures</b>	<b>Results</b>
1. Small businesses and entrepreneurs have ready access to services to business	<ul style="list-style-type: none"> <li>• Number of points of service in WCBSN</li> </ul>	<ul style="list-style-type: none"> <li>• 100 plus points of service, including 1 new CFDC in British Columbia (Haida Gwaii), and two new WD client service offices (Calgary and Regina)</li> </ul>

	<ul style="list-style-type: none"> <li>Total number of services provided by WCBSN members: <ul style="list-style-type: none"> <li>Information, technical and advisory, and training and skills development; and,</li> <li>Business planning assistance, export readiness, selling to government, and access to capital</li> </ul> </li> <li>Total number of service delivery agreements between WD and other organizations</li> </ul>	<ul style="list-style-type: none"> <li>905,324 client services were provided by WCBSN members (excluding web site visits): <ul style="list-style-type: none"> <li>90 CFDCs provided 444,517 client services</li> <li>4 CBSCs responded to 403,098 client inquiries and attracted 660,158 web site visits;</li> <li>4 WECs responded to 26,554 client inquiries; and,</li> <li>6 WD client service offices provided 31,155 client services</li> </ul> </li> <li>See Figures 5, 7 and 14 as examples</li> </ul>
2. Small businesses consistently receive high-quality service from Network partners	<ul style="list-style-type: none"> <li>Client satisfaction level</li> <li>Service standards met</li> </ul>	<ul style="list-style-type: none"> <li>See Figure 6</li> <li>See Figure 17</li> </ul>
3. Small businesses recognize Network partners as a leading source of services to small business	<ul style="list-style-type: none"> <li>Type and number of programs and services available</li> <li>Number of client services provided by CFDCs and WEIs</li> <li>Number of client contacts by CBSCs</li> <li>Awareness survey</li> </ul>	<ul style="list-style-type: none"> <li>See details in Results Item 1 this table</li> <li>See details in Results Item 1, this table</li> <li>See details in Results Item 1, this table</li> <li>See Figure 6: Results from Angus Reid Group studies (July 1998, July 1999)</li> </ul>



<p>4. Efficient and effective management of service partnerships</p>	<ul style="list-style-type: none"> <li>• Satisfaction level of Network partners</li>   <li>• Percentage of available funding committed/disbursed</li>   <li>• Program administrative costs as a percentage of total program costs</li>   <li>• Degree to which administrative systems support cooperative or alternative service delivery</li> </ul>	<ul style="list-style-type: none"> <li>• The results of a CFDC survey, done by WD in (March 1998), established the average rating of satisfaction as 6.2 on a scale of 1 to 10 (where 1= very dissatisfied and 10= very satisfied.) 104 responses out of 116 surveys were returned, with a 49 percent rate of return</li>   <li>• 94 percent or \$4,246k of a budget of \$4,483k has been committed</li>   <li>• Less than 1 percent, not including the cost of corporate informatics support, contract administration, nor support of the western CBSC by the National CBSC Secretariat</li>   <li>• See pages 11 and 40 for details</li> </ul>
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**Figure 9: Service Partnerships**

### 3. Information Services

**WD is: Information Services -  
developing information sources  
for SMEs in western Canada**

*Since the launch of the new, improved Interactive Business Planner in late February 1999, 7,500 business plans have been created – auspicious results, especially when combined with the typical feedback generated by the clients:*

*"I found this plan to be very comprehensive, and it gave me an idea of what would be required by the banks to consider a business loan. It is easy to fill out, flows well, is explained very well and takes a lot of the guessing work out of numbers."*

*"Very well organized. I like the structured approach of doing this. It is better than the book: Business plans for dummies."*

*"I love this! I have put off writing my business plan for 6 months because of time constraints and frustration of not really understanding what's involved. IBP makes it easy! Thank you! It's just so easy to use!"*

*Interested in taking IBP for a drive? Point your browser to [www.cbsc.org/ibp](http://www.cbsc.org/ibp) and see for yourself what everybody's talking about!*

The work of the Information Services group focuses on how to serve our clients from two perspectives: information products and services that can be made available directly to clients via the Internet ([www.wd.gc.ca](http://www.wd.gc.ca)), and products and services that assist WD and its partners to serve clients better. WD is well advanced in developing its own "Intranet," and also has created an 'extranet' to further our communication capabilities with our network partners. The Client Information System has been developed to record service information on each client. Having this information available to all service delivery officers ensures that clients get the kind of service and response to the requests that they need. Other internal information systems are under development that will improve productivity within the organization and result in even better response times for our clients.

<b>Information Services</b>		
<b>Outcomes</b>	<b>Measures</b>	<b>Results</b>
<p>1. Western small businesses have access to an integrated information service that provides:</p> <ul style="list-style-type: none"> <li>• information, products, primarily interactive, tailored to their specific needs; and,</li> <li>• referrals to sources of more specialized expertise</li> </ul>	<p>Trend rate of use of WCBSN information products. Small business satisfaction with:</p> <ul style="list-style-type: none"> <li>• accessibility of the service; and,</li> <li>• appropriateness and quality of the services used</li> </ul>	<ul style="list-style-type: none"> <li>• WD Web Site user sessions for 98-99 are 122,000 almost double previous year (68,000)</li> <li>• User feedback indicates good acceptance of site and satisfaction with offerings. Higher than average degree of repeat users</li> <li>• High degree of satisfaction with links to other relevant sites, especially CBSCs and Strategis</li> <li>• Most popular page is questionnaire "Am I An Entrepreneur?" (Scheduled for an upgrade in 1999-2000)</li> </ul>

<p>2. WCBSN members are equipped to provide high quality, consistent service to client SMEs; front line personnel understand and use the full capabilities of the information products/electronic infrastructure</p>	<ul style="list-style-type: none"> <li>• Capability of Network members and WD staff to deliver the full range of information products</li> <li>• Trend rate of use</li> <li>• Satisfaction among network members</li> </ul>	<p><b>External Members</b></p> <ul style="list-style-type: none"> <li>• All Community Futures and Women’s Enterprise offices have full access to WCBSN products through the extranet, including: Resource Library, Members Directory, and Help Desk</li> <li>• Anecdotal evidence indicates increasing level of satisfaction from WCBSN members</li> <li>• Network trainers for CF’s, CBSC provided in summer of ’98. Focus on WD Extranet, and Internet, as well as general computer use. Feedback has been extremely positive; unanimous decision to renew program for 99-2000</li> </ul> <p><b>Internal WD Systems</b> (enabling WD staff to serve SMEs directly)</p> <ul style="list-style-type: none"> <li>• Client Information System (CIS) launch in November 1998</li> <li>• 9,089 Client Interactions recorded for 98-99 (partial year only)</li> <li>• Training on CIS provided to all departmental Client Service Officers, other WD staff; and,</li> <li>• Training on MS Office products for staff in Saskatoon office (pilot project) to enhance user skills</li> </ul>
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<p>3. An electronic infrastructure that enables all Network partners to access a collective pool of information products and tools, and provide consistent, high quality and timely service to western SMEs (with support from the IT Branch and Service Partnerships)</p>	<ul style="list-style-type: none"> <li>• Implementation and continuing development of the electronic infrastructure</li> <li>• Trend rate of use, type of Network member, and types of products used</li> <li>• Benchmarked against other regional agencies electronic information offerings in terms of standards, access and use</li> </ul>	<ul style="list-style-type: none"> <li>• Fully functional Lotus Notes Infrastructure now in place, to support CIS and related systems, and enable sharing with CBSCs</li> <li>• Intranet Pilot project (for WD staff only) successfully completed; full roll-out in 99-2000. Average 61 users per day</li> <li>• Extranet use steadily increasing, with new items being added to Resource Library on-going basis</li> <li>• Benchmarking activities not undertaken in 98-99. This item is deferred to 99-2000</li> </ul>
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**Figure 10: Information Services**

#### 4. Capital Services

**WD is: Capital Services - helping firms to access the money they need to grow and to contribute to economic diversity**

*Freedom Concepts manufactures bicycles (mobility devices) for children and adults with physical disabilities. Freedom Concepts was invited as the only supplier to attend the Empire State Games (a special Olympic event) in New York City in June, 1999. The organizers asked the company to contact the bike owners in the area to have them ride the bikes in the opening ceremonies. Freedom Concepts has received assistance from Western Economic Diversification Canada through its Health Loan Fund.*

WD has a variety of loan investment funds in partnership with financial institutions that bring capital to targeted sectors throughout western Canada in technical and knowledge-based fields, the agricultural value-added sector, and very small, start-up businesses. The Loan/Investment Fund Program has offered business information, contacts, financing and services to more than 1,300 clients which have resulted in over 540 small businesses accessing \$87 million in approved loans through financial institutions across the West.

In all, well over a quarter of a billion dollars has been made available to small businesses and entrepreneurs in western Canada over the last four years through WD's capital initiatives.

<b>Capital Services</b>		
<b>Outcomes</b>	<b>Measures</b>	<b>Results</b>
<p>1. Increased awareness of, and access to, capital (debt and equity) for SMEs in targeted growth sectors plus rural and women entrepreneurs and micro-businesses, leading to 1998-1999 outcomes of:</p> <p>a) WD Loan Funds - 400 loans, for a total of \$36 million, plus supplementary funding of \$12 million from other sources</p> <p>b) CFDC Loan Funds - 2,380 loans for a total of \$50 million and,</p> <p>c) WEI Loan Funds - 170 loans for a total of \$4 million</p>	<ul style="list-style-type: none"> <li>• Client satisfaction</li> <li>• Take-up rates for WD, CFDC and WEI Loan Funds</li> <li>• Amount of supplementary (other) funding accessed by WD clients</li> </ul>	<ul style="list-style-type: none"> <li>• Over 80 percent client satisfaction with application process and professionalism of WD staff. (Ekos Research Associates Inc. review. See page 10)</li> <li>• 378 clients were served and 243 loans with a total value of \$29 million were approved by WD's financial institution partners</li> <li>• CFDCs issued over 2,250 loans exceeding \$54.9 million; the WEI issue 175 loans valued at \$3.8 million</li> <li>• "Other" funding access not currently measured but estimated at up to \$14 million</li> </ul>
<p>2. Improved business planning by clients</p>	<ul style="list-style-type: none"> <li>• Client satisfaction</li> <li>• Loan approval rates</li> </ul>	<ul style="list-style-type: none"> <li>• See pages 12 and 18</li> </ul>
<p>3. Effective relationships with financial partners</p>	<ul style="list-style-type: none"> <li>• Partner satisfaction</li> <li>• Take-up rates for WD, CFDC and WEI Loan Funds</li> </ul>	<ul style="list-style-type: none"> <li>• CFDC has provided 8,600 loans exceeding \$185 million, WEI loaned \$12 million to 485 women entrepreneurs</li> </ul>
<p>4. Effective utilization of available resources</p>	<ul style="list-style-type: none"> <li>• Actual versus budget</li> </ul>	<ul style="list-style-type: none"> <li>• See Section V tables 2 and 3</li> </ul>

<p>5. Improved client service (CS) skills of WD's client service staff, focusing on:</p> <p>a) Knowledge of capital markets and financing options; and,</p> <p>b) Marketing, business planning and coaching skills</p>	<ul style="list-style-type: none"> <li>• WD client satisfaction</li> <li>• Proportion of client services staff trained</li> </ul>	<ul style="list-style-type: none"> <li>• See Section II B.3</li> <li>• 65 percent satisfied with WD suggestions on business plan and understanding of business (Ekos)</li> <li>• Approximately 25 percent of CS staff received marketing seminar</li> </ul>
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Figure 11: Capital Services

## 5. Strategic Initiatives

**WD is: Strategic Initiatives - public/private partnerships, federal, provincial and tripartite economic development initiatives**

*Bioriginal Food and Science Corp. is one of the world's leading manufacturers of essential fatty acid oils. The company provides processing oils used in nutritional supplements, cosmetics and health foods, including borage, evening primrose, black currant, pumpkin, flax, fish oils and herbal products. The company set up its own processing plant outside of Saskatoon with assistance from the federal-provincial Partnership Agreement of Water-Based Economic Development. The plant is the only one of its kind in the province organically certified by the Organic Crops Improvement Association, and the only small-scale oil expeller that processes drug standards as defined by Canada's Health Protection Branch. About 75 per cent of Bioriginal's sales are international. Western Economic Diversification Canada has provided Bioriginal with \$37,500 through its International Trade Personnel Program to help the company hire a recent graduate to market its products internationally. The company has grown from a one-person operation to a staff of 55.*

The strategic initiatives program is the linchpin between WD's economic development activities and the priorities of the federal government and the Industry Portfolio. Sometimes strategic initiatives involve "one time" economic development activities; and sometimes the initiatives become programs which are part of WD's business line offerings. See information on both the Service Partnerships and Targeted Business Services business line performance accomplishments highlighted previously for other references to programs that had their start as a strategic initiative.

The Winnipeg Development Agreement (WDA), a model for tripartite cooperation in economic development, was signed by Canada, Manitoba and Winnipeg on March 15, 1995 with a budget of \$75 million and will conclude on March 31, 2000. The

WDA supports long-term economic development of Winnipeg through job creation, job training and socio-economic community growth. WD has lead responsibility for coordination of the federal government's participation in the WDA, but a number of other departments participate as well.

Some significant projects initiated as part of the Winnipeg Development Agreement in fiscal 1998-99 include:

A-Quest Training Centre - Live-in Care Giver/Respite Worker Training - (HRDC) - To train employable social assistance recipients and unemployed persons to overcome barriers to employment through a certified program tri-focused on child care, elderly care and adaptive care.

St. Boniface School Division #4 - Crackers, The Bistro, Learning for Life Project (HRDC) - To help establish a restaurant operated by mentally challenged students.

Centre for Aboriginal Human Resources Development - Aboriginal People with Disabilities; Finding Work - (HRDC) - To provide assistance in training, finding and retaining employment to Aboriginal people with disabilities.

Storyline FX Inc. - Freeze Frame 98 Web Site - (Canadian Heritage) - An activity centre for kids - To develop an interactive web site to be used to educate kids and teens about the use of new technologies through the development of an online film.

University of Manitoba - Transport Institute - (Western Diversification) - Support for the completion of a study of opportunities arising from the Green Corridor concept in the Mid-Continent International Trade Corridor region of North America.

**Figure 12: The Winnipeg Development Agreement**

Below are other strategic initiatives which are categorized under specific theme areas, which reflect federal government and Speech from the Throne priorities like: Aboriginal Initiatives, Entrepreneurs with Disabilities Initiatives, Youth Initiatives, Francophone Initiatives, and Science and Technology.



### Examples of WD's Strategic Initiatives in 1998-99

**Aboriginal Initiatives:** Proponents are planning an implementation strategy for an Aboriginal business development center in Edmonton. The Alberta Indian Investment Corporation/AIEDON (Alberta) has been linked to the WD network, and an extended link for the remaining western provinces and two Aboriginal Capital Corporations (Saskatchewan) are in process.

**Entrepreneurs with Disabilities Initiatives:** WD provided funding to give people with disabilities access to business services and financing through funding several projects. Included are: the Entrepreneurs with Disabilities Program (EDP) delivered by the CFDCs where 217 loans were secured valued at over \$4,000,000; the North Saskatchewan Independent Living Centre where interest in the program is high; and, the Extending Network Entrepreneurs with Disabilities Program.

**Youth Initiatives:** Three youth programs currently delivered through the Department's business lines were developed as strategic initiatives. The International Trade Personnel Program, the First Jobs in Science and Technology Program, and the Community Economic Development Internship Program (CEDIP) have provided close to one thousand jobs for young people in western Canada. As well, through the Urban Youth Entrepreneurship Initiative, sixteen participants completed the Edmonton Jump Start Young Entrepreneurs Project through the Edmonton Mennonite Center for Newcomers. Six loans under this project, which assisted young entrepreneurs start a business, were approved in the first year for a total of \$83,000. The program reached its capacity for 1998-99 and continued demand for the program exists in the community.

**Francophone Initiatives:** WD is committed to advancing the economic development interests of Canada's francophone communities through several initiatives, including funding entrepreneurship training and development centres in Alberta (Peace River Entrepreneurship Centre, Chambre Économique de l'Alberta), and funding salaries for development officers in Saskatchewan (Conseil de la coopération de la Saskatchewan). La Société de développement économique project was funded to organize a committee to represent francophone objectives regarding economic development in B.C. Le Conseil Touristique Francophone de l'Ouest (Manitoba) was established to assist in the development and promotion of a pan-western Francophone tourism initiative.

**Science and Technology - the Innovation Gap:** WD is addressing science and technology priorities in western Canada by taking action to reduce the "innovation gap" identified by the OECD. Actions include: facilitating access to funding for small businesses for R and D and technology adoption; working with western Universities to accelerate the rate of technology commercialization; providing business with skilled personnel through the First Jobs in Science and Technology Program; and, helping to develop Innovation Centers to facilitate technology commercialization. Special initiatives added in 1998-99 include:

- The Westlink Innovation Network Ltd. began operations at the end of the fiscal year working to establish a network development centre to enhance the technology commercialization capabilities of western Canadian universities.

- WD contributed \$491,000 in funding towards the acquisition of technical infrastructure, which will enhance the technology delivery capabilities of the Calgary Research and Development Authority.
- The Canada Foundation for Innovation Support Program supported eight proposal development projects worth \$20,000 per project.
- Funding was provided to West MOST to market the Masters of Software Technology program to software technology SMEs.
- WD provided funding to WESTEST (Manitoba), a not-for-profit, industry-owned research and technology laboratory that provides western Canadian equipment manufacturers with advanced product development and physical testing services, to expand and upgrade one of its laboratories.

<b>Strategic Initiatives</b>		
<b>Outcomes</b>	<b>Measures</b>	<b>Results</b>
1. Respond to emerging needs identified by small business and entrepreneurs	Improved growth and profitability of western small business in specific target groups	Developed 61 strategic initiatives representing over \$53 million in accessible funding for western Canadians (\$12 million in 1998-99)
2. Good relationships with provinces, other federal departments, industry organizations, and other partners	Partner satisfaction	See Figure 6: Results from Angus Reid Group studies (July 1998, July 1999)
3. Implement a process for initiating, developing and implementing strategic initiatives and special projects, including investment strategies	Process and strategies designed and implemented	Current processes, although adequate as demonstrated by the results over this fiscal year, will be addressed further in the up-coming year
4. Developing a department-wide system of coordinating and tracking strategic initiatives and special projects	System developed and implemented	Considerable effort has produced a mechanism that is being pilot tested. The mechanism will be enhanced, as feedback becomes available
5. Developing a system of coordinating and tracking Urban Development Agreements and Partnership Agreements	System developed and implemented	Under development. See Figure 5: The Western Economic Partnership Agreements (WEPA) for accomplishments

**Figure 13: Strategic Initiatives**

## 6. National Programs

**WD is: National Programs - delivering programs and services to western Canadians to increase quality of life in a variety of ways**

*WD is helping to create new opportunities for businesses in the Whiteshell area (see Figure 14). Ascion Industries Inc. and Granite Internet Services are two small businesses that have benefited from our assistance. WD has teamed up with the Manitoba government to help two young, innovative companies to expand their operations. Ascion Industries Inc. and Granite Internet Services have received loans through the Whiteshell Economic Development Assistance initiative. Former employees of the AECL's Whiteshell Laboratories run both companies.*

*Ascion Industries has purchased the assets and intellectual property of Atomic Energy of Canada Ltd.'s (AECL) electron beam processing technology. The company has recently opened up international markets for its technology, which is used to repair aircraft parts and to convert hog waste into fertilizer. The company expects to create 14 full-time jobs over the next three years. Ascion has received \$200,000 in loans to assist with their expansion.*

*Granite Internet Services Inc. provides Internet services to eastern Manitoba including dial-up Internet access, business and design services. The company has received \$74,250 in loans to expand its services. With new individuals and businesses continuing to tap into the power of the Internet, the market potential for their services in eastern Manitoba is excellent.*

WD is responsible for the delivery of national economic development programs including the Infrastructure Works Program and special community economic adjustment initiatives, intended to mitigate local economic impacts of such events as reductions and closures of federal facilities or natural disasters.

In December 1998, after a number of years of analysis and consideration of various options, AECL announced its planned withdrawal from the Whiteshell Laboratories site near Pinawa, Manitoba, by December 2001. WD's role is to assist the Pinawa area to diversify its economic base and assist in the transition of the local economy. (By March 31, 1999, WD had negotiated an arrangement through which the Winnipeg River Brokenhead Community Futures Development Corporation will deliver the \$3.75 million in federal community adjustment funds associated with AECL's decision, and had advanced an initial \$1.25 million to the CFDC to be allocated by a Steering Committee of local community leaders. Wd also administers a \$20 million joint federal/provincial loan program for the Whiteshell area along with the Province of Manitoba.

WD, along with the Province of Manitoba, is also funding and assisting the Economic Development Authority of Whiteshell as it pursues its Memorandum of Understanding to privatize AECL's Nuclear Fuel Waste Management Program and develop a diversified industrial park at the Whiteshell facility. These activities offer the greatest potential for significant economic development in the wake of AECL's withdrawal.

**Figure 14: The Whiteshell Project**

Yet another example of how WD advocates for and works on behalf of western Canadians follows:

In B.C., WD negotiated an \$18 million federal contribution to a West Coast community adjustment package and a \$7 million Fisheries Loan Program as part of the \$400 million Fisheries Adjustment and Restructuring Program.

**Figure 15: B.C. Fisheries Adjustment and Restructuring Program**

<b>National Programs</b>		
<b>Outcomes</b>	<b>Measures</b>	<b>Results</b>
1. Job creation and infrastructure renewal	<ul style="list-style-type: none"> <li>• Number of jobs created</li> <li>• Total leveraged expenditures on infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• 33,700 jobs created</li> <li>• Federal expenditure of \$631.7 million for infrastructure renewal leveraged \$1.952 billion</li> </ul>
2. Economic adjustment in communities affected by the closure/reduction of federal facilities (such as base closures or the commercialization of the Whiteshell laboratory), changes in federal policies (such as the revitalization of the Pacific salmon fishery) and natural disasters (such as the Red River Valley flood)	<ul style="list-style-type: none"> <li>• Economic impacts of WD sponsored initiatives, including jobs that are created/maintained</li> <li>• Preservation of key core community infrastructure such as hospitals, community centres and airport facilities</li> <li>• Satisfaction of stakeholders/partner organizations</li> </ul>	<ul style="list-style-type: none"> <li>• No aggregate data available. See Figure 12: The Winnipeg Development Agreement, Figure 13: Strategic Initiatives and Figure 14: The Whiteshell Project for details</li> <li>• See Figure 14</li> <li>• Evaluation to be done</li> </ul>
3. Efficient delivery of national programs resulting in timely project or agreement approvals and amendments as well as compliance with the terms and conditions of the agreements	<ul style="list-style-type: none"> <li>• Administrative overhead cost as a percentage of total program cost</li> <li>• Cycle time to approve projects</li> <li>• Client/partner/stakeholder satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Not available as delivered via various business lines and mechanisms</li> <li>• Under assessment</li> <li>• See Figure 6 and four bullets that follow</li> </ul>
4. Full commitment/disbursement of available program funds	<ul style="list-style-type: none"> <li>• Total funding committed/disbursed</li> </ul>	<ul style="list-style-type: none"> <li>• See Section V, Tables 1 and 2</li> </ul>
5. Leveraged federal funds	<ul style="list-style-type: none"> <li>• Total funds leveraged</li> </ul>	<ul style="list-style-type: none"> <li>• Not available at this time</li> </ul>

**Figure 16: National Programs**

## 7. Legacy Programs

From 1987 to 1995, WD delivered the Western Diversification Program (WDP) to businesses in western Canada. The program offered repayable contributions (a first for government programming) to firms that were developing new products, new markets, new technologies, or replacing imports. The current objective of the legacy program area is maximize the return from previously made repayable contributions, and to ensure that existing commitments are paid out in accordance with the terms of the agreements. In administering its collection activities, the Department takes an approach that involves working with businesses to adapt repayment plans to business fluctuations, and ensuring, within good business practices, that businesses are given every chance to survive and to continue to contribute to economic growth.

The focus of this program is the administration and recovery of WD's portfolio of outstanding repayable contributions within the terms of contribution agreements made in previous years under the WDP, the Industrial Regional Development Program (IRDP) and the Western Transportation Industrial Development Program (WTID). Effort is made to maximize cash flow from repayable contributions and ensure that existing commitments are paid out in accordance with the terms of agreements approved under the Western Diversification Program (WDP) and other programs while ensuring growth in WDP client firms. The goal is to maximize the yield of the existing portfolio while maintaining a climate for economic growth and job creation.

<b>Legacy Programs</b>		
<b>Outcomes</b>	<b>Measures</b>	<b>Results</b>
1. Repayable contributions repaid in accordance with terms of contracts	<ul style="list-style-type: none"> <li>Collect \$42.4 million in accordance with terms of repayable contribution agreement</li> </ul>	<ul style="list-style-type: none"> <li>Collected \$44.9 million</li> </ul>

**Figure 17: Legacy Programs**

## IV. Consolidated Reporting

### A. Year 2000 Readiness

WD continues to make significant progress towards ensuring that its internal systems are Y2K compliant. While not a mission critical department all WD internal systems have been reviewed and either confirmed as Y2K compliant or action plans developed by a Y2K action team established in early 1998.



The overall completion index as of May 1999 for Western Economic Diversification Canada is estimated at 96 per cent. The completion index is based on the progress achieved in the implementation of the departmental financial and program system (G√MAX), the only mission-critical application for WD. WD installed Version 6.1 in December 1998. The G√MAX Cluster Group has tested this version and Anthony, Macauley and Associates (software proprietor) has certified that Version 6.1 is Y2K compliant.

WD is working with PWGSC to determine the status of its embedded systems. The Receiver General Interface has been included in the Y2K test plan.

WD has established a separate network of Y2K testing. The cost of the network and computers is about \$10,000. The network, however, will also be used for Financial Information System development and system training; therefore, it is not solely attributable to Y2K.

As the lead department for federal economic activities in the West, WD is also responsible for ensuring that our network partners and small business clientele are fully aware of and taking steps to address the Y2K issue. Consistent with the Task Force recommendations, a strategy has been implemented to ensure our partners and clients are informed about the potential impacts the Y2K problem may have on their operations. They are also aware of the various government and industry sources of information that can assist them to address the problem. Results to date on this front include the addition of a Y2K component to the WD web site in June, 1998; feature profiles on Y2K in departmental publications; briefings and presentations to our delivery partners; advertising in support of the SOS 2000 print campaign; and, support of Industry Canada sponsored Y2K seminars for business.

WD has five IT sites located across western Canada which can be used to backup each other should one or more of them experience Year 2000 problems. Updated business resumption plans have been prepared.

## **B. Sustainable Development**

In 1997/98 WD completed a Sustainable Development Strategy (<http://www.wd.gc.ca/eng/content/press/index.html>) which covers a three year period to December, 2000. There are thirteen objectives that focus on three principal activities: raise awareness of sustainable development and provide others with sustainable development information; support sustainable development through co-operative action; and foster a sustainable development culture within WD.

WD has many activities in play that addresses the three pillars of sustainable development: economic, environmental, and social. There are several loan funds (i.e. Advanced Technology, Ag-Value Added, Knowledge-Based Industries, and the Environmental Technology Loan Program, to name a few) that assist companies to undertake sustainable development-related projects. Businesses have received loans to clean/dispose of produced oil sand, for a biotech acoustic filtering device, to convert biodegradable waste to fertilizer, to name a few.

WD, as a member of the Interdepartmental Network on Sustainable Development Strategies (INSDS), is working towards an improved approach to sustainable development based on the work currently under way in support of the medium term strategies for the government as a whole. In conjunction with this over-arching approach, WD has been very active with regard to Climate Change.

WD has prepared a departmental approach on Climate Change based on supply side action - which is the agreed upon thrust for the Industry Portfolio. The action plan and process items are designed to position the Department as a key player on the Climate Change file by: plugging into regional groups working on Climate Change issues; participating in key National Climate Change Secretariat Issues Tables (e.g. the Technology Table); and by working with the Federal and National Climate Change Secretariats.

The actions items, or deliverables, will enhance federal visibility on the file, and ultimately deliver programs or services that contribute to the national Climate Change agenda. For example, WD will work with its network partners across western Canada to promote awareness of Climate Change - particularly in rural areas. WD is also working with the Environmental Industry Associations in western Canada to identify technology gaps and barriers in conjunction with the national work being undertaken in this regard, to ensure western industry members can identify potential business opportunities. Another action item involves cosponsoring the May, 1999 Combustion and Global Climate Change Conference in Calgary, which examines the issue from the technological point of view of key western Canadian industries.

*The WD/TD Bank/Environment Canada Environmental Technology Loan Program has resulted in 19 approved loans totaling \$6.4 million that have assisted SMEs in the West to develop and commercialize environmental technologies.*



## V. Financial Performance

### A. Financial Performance Overview

When compared to the very large economy of western Canada, the limited human and financial resources at WD's disposal requires the Department to be flexible and innovative in the way in which WD accomplishes results. By creatively partnering with other departments, levels of government, financial institutions, and a myriad of organizations, the collective results positively impact the lives of western Canadians. WD works hard at being effective in impacting the economy of western Canada, and based on the surveys over the past year, is making a difference. With such a complex operating environment and multitude of players there are obvious difficulties in attributing the results directly to any one factor or organization.

The following table summarizes total appropriations and expenditures for WD in 1998-99.

Comparison of Total Planned Spending to Actual Spending: 1998-99 (millions of dollars)									
	FTEs	Operat'g	Cap'l	Voted Grants and Contributions	Subtotal: Gross Voted Expenditures	Statutory Grants and Contributions	Total Gross Expenditures	Less: Respendable Revenues	Total Net Expenditures
Western Economic Diversification									
<b>Available Spending</b>	324	40.0	--	247.9	287.9	24.4	312.3	--	312.3
<b>Actual Spending</b>	324	38.0	--	204.9	242.9	24.4	267.3	--	267.3

### B. Financial Summary Tables

The following financial tables depict the resources available to the Department in 1998-99 and how these resources were used, as well as revenues generated by the Department. The tables also provide comparative historical information for the previous two years. Please note that WD has reported on the following tables:

- Table 1: Summary of Voted Appropriations
- Table 2: Comparison of Total Planned Spending to Actual Spending
- Table 3: Historical Comparison of Total Planned Spending to Actual Spending
- Table 7: Non-Respendable Revenues
- Table 8: Statutory Payments
- Table 9: Transfer Payments
- Table 15: Contingent Liabilities

As shown in Table 1, planned spending for 1998-99 at the beginning of the year was \$313.6 million. Of the \$312.3 million authorities provided, the Department spent \$267.3 million. However, if revenues of \$69.8 million generated by the Department and services provided by other departments without charge are factored in, the net cost of WD operations is \$200.7 million (see Table 2). Spending was less than expected due primarily to delays in construction projects under the Canada Infrastructure Works Program (\$13.0 million); the deferral of other contributions (\$ 25.9 million); and, the carry-forward of operating resources (\$ 1.9 million) to fiscal year 1999-2000.

**Table 1 : Summary of Voted Appropriations**

<b>Authorities for 1998-99 - Part II of the Estimates</b>				
<b>Financial Requirements by Authority (\$ millions)</b>				
<b>Vote</b>		<b>1998-99 Planned Spending</b>	<b>1998-99 Total Authorities</b>	<b>1998-99 Actual</b>
Western Economic Diversification				
115	Operating Expenditures	33.9	35.5	33.5
120	Grants and Contributions	231.3	247.9	204.9
(S)	Liabilities under the Small Business Loans Act	44.2	24.4	24.4
(S)	Contributions to Employee Benefit Plans	4.2	4.5	4.5
<b>Total Department</b>		<b>313.6</b>	<b>312.3</b>	<b>267.3</b>
Total Authorities are main estimates plus supplementary estimates.				

**Table 2 : Comparison of Total Planned Spending to Actual Spending**

<b>Departmental Planned versus Actual Spending (\$ millions)</b>									
	FTEs	Operating	Capital	Voted Grants and Contributions	Subtotal: Gross Voted Expenditures	Statutory Grants and Contributions	Total Gross Expenditures	Less: Respendable Revenues	Total Net Expenditures
Western Economic Diversification	324	38.1	--	231.3	269.4	44.2	313.6	--	313.6
	<i>324</i>	<i>40.0</i>	--	<i>247.9</i>	<i>287.9</i>	<i>24.4</i>	<i>312.3</i>	--	<i>312.3</i>
	<b>324</b>	<b>38.0</b>	--	<b>204.9</b>	<b>242.9</b>	<b>24.4</b>	<b>267.3</b>	--	<b>267.3</b>
<b>Totals</b>	324	38.1	--	231.3	269.4	44.2	313.6	--	313.6
	<i>324</i>	<i>40.0</i>	--	<i>247.9</i>	<i>287.9</i>	<i>24.4</i>	<i>312.3</i>	--	<i>312.3</i>
	<b>324</b>	<b>38.0</b>	--	<b>204.9</b>	<b>242.9</b>	<b>24.4</b>	<b>267.3</b>	--	<b>267.3</b>
Other Revenues and Expenditures									
Non-Respendable Revenues									(56.2)
									(56.2)
									<b>(69.8)</b>
Cost of services provided by other departments									3.2
									3.2
									<b>3.2</b>
Net Cost of the Program									260.6
									259.3
									<b>200.7</b>

**NOTE:**  
*Numbers in italics* denote total authorities for 1998-99 (main and supplementary estimates).  
**Bolded numbers** denote actual expenditures/revenues in 1998-99.

**Table 3 : Historical Comparison of Total Planned Spending to Actual Spending**

<b>Departmental Planned versus Actual Spending (\$ millions)</b>					
	Actual 1996-97	Actual 1997-98	Planned Spending 1998-99	Total Authorities 1998-99	Actual 1998-99
Western Economic Diversification	303.2	334.7	313.6	312.3	267.3
<b>Total</b>	<b>303.2</b>	<b>334.7</b>	<b>313.6</b>	<b>312.3</b>	<b>267.3</b>

Total Authorities are main estimates plus supplementary estimates.

**Table 7 : Non-Respendable Revenues**

<b>Non-Respendable Revenues by Category (\$ millions)</b>					
	<b>Actual 1996-97</b>	<b>Actual 1997-98</b>	<b>Planned Revenue 1998-99</b>	<b>Total Authorities 1998-99</b>	<b>Actual 1998-99</b>
Repayment of repayable contributions *	55.2	47.4	43.0	43.0	44.9
Adjustment to previous years payables at year-end	2.3	1.6	0.0	0.0	1.9
Service fees under the Small Business Loans Act	11.2	19.8	12.2	12.2	21.1
Other Revenue **	0.4	0.6	1.0	1.0	1.9
<b>Total Non-Respendable Revenues</b>	<b>69.1</b>	<b>69.4</b>	<b>56.2</b>	<b>56.2</b>	<b>69.8</b>

\* Repayments of repayable contributions includes principal repayments and any related revenues.

\*\* Other revenue includes refunds of non-repayable contributions, refunds of operating expenditures, refunds of SBLA losses and other miscellaneous revenue.

**Table 8 : Statutory Payments**

<b>Statutory Payments (\$ millions)</b>					
	<b>Actual 1996-97</b>	<b>Actual 1997-98</b>	<b>Planned Spending 1998-99</b>	<b>Total Authorities 1998-99</b>	<b>Actual 1998-99</b>
Liabilities under the Small Business Loans Act	16.8	24.8	44.2	24.4	24.4
Contributions to employee benefit plans	3.0	3.4	4.2	4.5	4.5
<b>Total Statutory Payments</b>	<b>19.8</b>	<b>28.2</b>	<b>48.4</b>	<b>28.9</b>	<b>28.9</b>
Total Authorities are main estimates plus supplementary estimates.					

**Table 9 : Transfer Payments**

<b>Transfer Payments (\$ millions)</b>					
	<b>Actual 1996-97</b>	<b>Actual 1997-98</b>	<b>Planned Spending 1998-99</b>	<b>Total Authorities 1998-99</b>	<b>Actual 1998-99</b>
<b>GRANTS</b>					
Grants for the Western Economic Diversification Program	0.0	17.5	5.0	5.0	0.0
<b>Total Grants</b>	<b>0.0</b>	<b>17.5</b>	<b>5.0</b>	<b>5.0</b>	<b>0.0</b>
<b>CONTRIBUTIONS</b>					
Western Diversification Program	131.8	150.7	132.4	133.9	110.7
Canada Infrastructure Works Program	110.9	99.2	86.9	102.0	89.0
Loan Fund Program	7.5	5.0	7.0	7.0	5.2
(S) Liabilities under the Small Business Loans Act	16.8	24.8	44.2	24.4	24.4
<b>Total Contributions</b>	<b>267.0</b>	<b>279.7</b>	<b>270.5</b>	<b>267.3</b>	<b>229.3</b>
<b>Total Transfer Payments</b>	<b>267.0</b>	<b>297.2</b>	<b>275.5</b>	<b>272.3</b>	<b>229.3</b>
Total Authorities are main estimates plus supplementary estimates.					

**Table 15 : Contingent Liabilities**

<b>Contingent Liabilities (millions of dollars)</b>			
<b>List of Contingent Liabilities</b>	<b>Amount of Contingent Liabilities</b>		
	<b>March 31, 1997</b>	<b>March 31, 1998</b>	<b>Current as of March 31, 1999</b>
Threatened Litigation	2.2	2.0	1.0

## **VI. Supplementary Information**

### **A. *Contacts for Further Information and/or Web Sites***

Western Economic Diversification Canada

#### **General Inquiries**

Suite 1500, Canada Place  
9700 Jasper Avenue  
Edmonton, Alberta T5J 4H7  
Toll free telephone service  
(in western Canada only)  
1-888-338-WEST (9378)

WD Web site

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

#### **Capital Services**

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Assistant Deputy Minister  
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240 Graham Avenue  
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Fax: (204) 983-0966

#### **Targeted Business Services**

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#### **Information Services**

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**Service Partnerships - Strategic Initiatives**

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**Ottawa Office -  
National and Legacy Programs, and Advocacy**

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Ottawa, Ontario K1P 5W3  
Telephone: (613) 952-7096  
Fax: (613) 954-1044

***B. Legislation Administered***

The Western Economic Diversification Canada Act, 1988.