

Appendix A – WD Grants and Contribution Expenditures for 2003-2004

Western Economic Diversification
Grants and Contributions Expenditures
Fiscal Year 2003-04

COREWestern Economic Diversification

	Headquarters	Alberta	British Columbia	Manitoba	Saskatchewan	Total
Pilot Projects		48,800				48,800
Conference Support Payments		307,531	540,243	231,700	114,577	1,194,051
Women's Enterprise Centres		529,716	1,136,009	1,487,670	1,010,889	4,164,284
Western Diversification Program	\$1,955,242	22,595,680	15,988,639	7,423,856	5,567,980	53,531,397
Export Readiness (ITPP)		480,364	831,255	258,154	404,320	1,974,093
Cda. Found. For Innovation Support		463,417	110,401	200,536	135,222	909,576
First Jobs in S&T Program		2,088,123	1,394,686	274,465	805,125	4,562,399
Vancouver Development Agreement			1,797,408			1,797,408
Strategic Initiatives Program			375,000	426,376	1,628,900	2,430,276
UAP – Urban Aboriginal Strategy - PCO Funded, PCO T&C			134,136			134,136
UAP – Urban Aboriginal Strategy - WDP Funded, PCO T&C			21,898			21,898
Canada Saskatchewan Northern Development Agreement (WEDP)					76,655	76,655
	1,955,242	26,513,631	22,329,675	10,302,757	9,743,668	70,844,973

Community Futures

Community Futures - Operating Funds		6,747,579	7,050,607	3,422,700	2,940,000	20,160,886
Community Futures – Networking Organizations		695,404			117,025	812,429
		7,442,983	7,050,607	3,422,700	3,057,025	20,973,315

Partnership Agreements

Partnership Agreement		881,033	4,002,080	3,193,410	771	8,077,294
Western Economic Partnership Agreement					60,000	60,000
		881,033	4,002,080	3,193,410	60,771	8,137,294

Service Delivery Networks

Community Economic Development Opportunity Program		150,000	2,393,949	147,500	55,467	2,746,916
Entrepreneurs with Disabilities Program				185,516		185,516
Community Economic Development Internship Program		130,000	337,928	20,000		487,928
Service Delivery Network		749,084	2,607,865	1,207,862	955,923	5,520,734

Francophone Economic Development		985,152	415,000	458,000	494,155	2,352,307
		<u>2,014,236</u>	<u>5,754,742</u>	<u>2,018,878</u>	<u>1,505,545</u>	<u>11,293,401</u>
<u>Innovation and Community Investment Program</u>						
Innovation and Community Investment Program		4,275,320	2,037,256	5,534,151	1,228,645	13,075,372
<u>Loan and Investment Fund Program</u>						
Loan and Investment Fund Program				4,346,891		4,346,891
SICEAI						
SICEAI - British Columbia - Non-Repayable			500,000			500,000
Sub Total - Core	<u>1,955,242</u>	<u>41,127,203</u>	<u>41,674,360</u>	<u>24,471,896</u>	<u>15,595,654</u>	<u>129,171,246</u>
NON-CORE						
Infrastructure Canada		36,115,444	23,019,240	19,217,349	10,903,796	89,255,829
Western Diversification Program						
Richmond Airport Vancouver Rapid Transit			3,748,000			3,748,000
Rick Hansen Man in Motion			2,200,000			2,200,000
GRANT - Friends of the Canadian Museum for Human Rights				27,000,000		27,000,000
Flood Proofing and Diking				1,054,187		1,054,187
National Programs (Hudson Bay)				900,000		900,000
		<u>36,115,444</u>	<u>28,967,240</u>	<u>48,171,536</u>	<u>10,903,796</u>	<u>124,158,016</u>
Total Core and Non-Core	<u>1,955,242</u>	<u>77,242,647</u>	<u>70,641,600</u>	<u>72,643,432</u>	<u>26,499,450</u>	<u>253,329,262</u>
Small Business Loans Act & Small Business Financing Act						16,900,000
						270,229,262

Appendix B – Contributions over \$200,000

Contributions over \$200,000					
# Projects		# Projects			
	# Recipients		# Recipients		
Alberta		British Columbia			
1	1	Alberta Cancer Board	2	1	A.S.T.C. Science World Society
1	1	Alberta Health and Wellness	1	1	Bill Reid Foundation
1	1	Calgary Economic Development Ltd.	2	1	British Columbia Cancer Foundation
1	1	Canada West Foundation	1	1	British Columbia Institute of Technology
1	1	Canada West Health Innovation Council	1	1	City of Prince Rupert
1	1	Canadian Environmental Technology Advancement Corporation - West	2	1	City of Vancouver
1	1	Caritas Health Group	3	1	Community Futures Development Association of B.C.
1	1	City of Edmonton	2	1	FUEL CELLS CANADA
3	1	Community Futures Network Society of Alberta	1	1	Genome British Columbia
1	1	Edmonton Chamber of Commerce	1	1	H. R. MacMillan Space Centre Society
2	1	Edmonton Economic Development Corporation	1	1	Malaspina University-College
1	1	Northern Alberta Institute of Technology	1	1	Neil Squire Foundation
1	1	PTAC Petroleum Technology Alliance Canada	1	1	NewMic Foundation

1	1	Southern Alberta Institute of Technology	1	1	Nuxalk Nation Community Centre
3	1	Telecommunications Research Laboratories and TR Technologies Inc.	2	1	Okanagan University College
11	1	The Governors of the University of Alberta	1	1	PACIFIC CORRIDOR ENTERPRISE COUNCIL
2	1	The Governors of the University of Calgary	2	1	RAV Project Management Ltd.
1		The Governors of the University of Calgary	1	1	Rick Hansen Man in Motion Foundation
1	1	Tourism Alliance for Western and Northern Canada Inc.	1	1	ROYAL ROADS UNIVERSITY
1	1	Tourism Standards Consortium (Western Canada) Inc.	2	1	Simon Fraser University
1	1	University Technologies International Inc.	2	1	UNIVERSITY OF BRITISH COLUMBIA
2	1	Westlink Innovation Network Ltd.	1	1	University of Northern British Columbia
39	21		1	1	UNIVERSITY OF VICTORIA
			1	1	Vancouver Aquarium Marine Science Centre
			2	1	Western Canadian Universities Marine Biological Society
			1	1	Young Women's Christian

					Association
			37	26	
Saskatchewan			Manitoba		
1	1	ATHABASCA ECONOMIC DEVELOPMENT & TRAINING CORP.	1	1	ACETEK COMPOSITES INC. AND ACSION INDUSTRIES INCORPORATED
1	1	COMMUNITIES OF TOMORROW - PARTNERS FOR SUSTAINABILITY INC.	1	1	CancerCare Manitoba
1	1	PETROLEUM TECHNOLOGY RESEARCH CENTRE INC.	1	1	COMMUNITY FUTURES PARTNERS OF MANITOBA
1	1	POS PILOT PLANT CORPORATION	2	1	Composites Innovation Centre Manitoba Inc.
1	1	SASKATCHEWAN AGRIVISION CORPORATION	2	1	Friends of the Canadian Museum for Human Rights Inc.
1	1	UNIVERSITY OF REGINA	1	1	RED RIVER COLLEGE
1	1	UNIVERSITY OF SASKATCHEWAN - (VIDO)	1	1	THE FORKS RENEWAL CORPORATION
1	1	WANUSKEWIN HERITAGE PARK AUTHORITY	1	1	Thundersong GP Inc.
1	1	WASCANA CENTRE AUTHORITY	2	1	UNIVERSITY OF MANITOBA
9	9		2	1	Vehicle Technology Centre Inc.
			1	1	Winnipeg Regional Health Authority
			15	11	
			100	67	

Appendix C – Transfer Payments April 2002 to September 2004

Transfer Payments April 2002 to September 2004 (30 months)

	Total				
	#	%	\$	%	Average
Equal to or less than \$200,000	2,128	95.5%	40,086,424	25.4%	18,838
More than \$200,000					
Other	92	4.1%	63,559,611	40.3%	690,865
Organizations who received - disbursed amount - of more than \$3 Million (in one transfer payment)	8	0.4%	54,018,759	34.3%	6,752,345
	100	4.5%	117,578,370	74.6%	1,175,784
	2,228	100.0%	157,664,794	100.0%	70,765

Appendix D – Requests Withdrawn or Declined

**Transfer Payments - Requests withdrawn or Declined
April 2002 to September 2004**

	BC	Alberta	Sask	Man	Total
Total # of Contributions	1175	457	331	265	2228
# requests withdrawn	30	25	10	3	68
	2.55%	5.47%	3.02%	1.13%	3.05%
# of requests declined	10	5	2	0	17
	0.85%	1.09%	0.60%	0.00%	0.76%
Total Non Recipients	40	30	12	3	85
% of Non Recipients	3.40%	6.56%	3.63%	1.13%	3.82%

Appendix E – Conference Support

From April 01, 2002 To
September 23, 2004
By Region / Subprogram
CONFERENCE SUPPORT

	Number	Average Amount	%	PrjCost	AppAmt	Greater or equal to \$5,000				Less than \$5,000			
						Number	Average Amount	Value	% Value	Number	Average Amount	Value	% Value
Alberta	104	9,382	3.41%	28,589,763	975,681	77	11,894	915,831	93.87%	27	2,217	59,850	6.13%
British Columbia	288	5,280	6.15%	24,735,517	1,520,736	136	8,589	1,168,167	76.82%	152	2,320	352,569	23.18%
Manitoba	81	5,643	12.96%	3,525,755	457,052	50	7,848	392,400	85.85%	31	2,086	64,652	14.15%
Saskatchewan (Project amount shown as the Approved Amount)	65	3,403	100.00%	221,202	221,202	21	6,980	146,589	66.27%	44	1,696	74,613	33.73%
TOTAL	538	5,901	5.56%	57,072,238	3,174,671	284	9,236	2,622,987	82.62%	254	2,172	551,684	17.38%

Appendix F – First Jobs

From April 01, 2002 To September 23, 2004
By Region / Subprogram
First Jobs in Science and Technology

	Number	Average Amount	%	PrjCost	AppAmt
Alberta	172	20,998	48.10%	7,509,033	3,611,647
British Columbia	134	19,554	44.02%	5,951,695	2,620,195
Manitoba	21	23,643	46.01%	1,079,002	496,502
Saskatchewan	66	23,331	46.69%	3,297,758	1,539,858
TOTAL	393	21,039	46.35%	17,837,488	8,268,202

Appendix G – Export Readiness

**From April 01, 2002 To September 23, 2004
By Region / Sub-program
EXPORT READINESS (ITPP) (XHZ)**

	Number	Average Amount	%	PrjCost	AppAmt
Alberta	59	14,012	48.79%	1,694,321	826,726
British Columbia	83	18,298	45.47%	3,339,716	1,518,716
Manitoba	21	17,489	47.56%	772,275	367,275
Saskatchewan	33	19,645	46.66%	1,389,288	648,288
TOTAL	196	17,148	46.71%	7,195,600	3,361,005

Appendix H – News Release February 28, 1995

Western Economic
Diversification Canada

Diversification de l'économie
de l'Ouest Canada

News Release Communiqué

FOR RELEASE
FEBRUARY 28, 1995

NEW DIRECTIONS FOR WESTERN ECONOMIC DIVERSIFICATION

OTTAWA – Western Economic Diversification Minister Lloyd Axworthy today announced a major change in direction for the Department which will lead to increased access to private sector capital for western Canadian small businesses.

The changes mean that the Department will no longer provide direct loans to business. Instead, it will focus on:

- the development of targeted capital funds, in cooperation with commercial lending institutions, to better serve small businesses;
- increased access to capital leveraged from the private sector;
- strategic alliances developed with the provinces, industry and financial institutions;
- single-window services to western businesses;
- community economic development; and,
- representing western interests on the national scene.

WD is implementing a number of recommendations by the caucus committee chaired by Morris Bodnar, MP for Saskatoon-Dundurn, which held public consultations on economic development throughout the West. One major new initiative involves working with financial institutions such as the chartered banks, credit unions, trust companies, cooperatives, the Farm Credit Corporation and the Federal Business Development Bank. The aim: to develop strategic alliances to leverage private sector capital to help western Canadian small businesses, especially in new or emerging



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industries. These businesses are the key to economic growth in Western Canada, but face problems of access to capital. This new approach will result in a pooling of public and private funds to target growth areas, and will be administered by financial institutions based on commercial practices.

The Department's focus has been evolving since November 1993, when its business-assistance program adopted a focus on small business and began to develop strategic alliances with the western Canadian provinces, industries and other interested stakeholders.

Said Mr. Axworthy: "Today's economic realities mean we have to do more with less. The Department has investigated methods of increasing the amount of private investment in small businesses and to facilitate their access to capital. We plan to utilize our limited financial resources to lever larger amounts of private sector investment and increase the amount of capital available on commercial terms to western businesses. Access to capital is a major obstacle to small businesses, and I am confident that we can work with financial institutions to increase that access."

Mr. Axworthy also pointed to the Department's new responsibilities for the Community Futures program as another example of working with the community and the private sector. The program is tailored to the needs of individual communities and is operated by volunteer business and community leaders. Funding is made available on a commercial interest basis. The program fits with WD's broader strategic approach to economic development by contributing a grassroots network to identify community needs and priorities, and to bring Government of Canada services into rural areas. The integration of the programs will benefit smaller communities by providing access to leveraged capital.

The Department's service to western Canadian business is also being expanded and enhanced with the continued development of Canada Business Service Centres (CBSC) in Western Canada. They will provide "single-window" access to federal programs in the four western provinces, and this service will be extended into rural areas. The Department will continue to work closely with provincial and municipal governments with a view toward integrating and consolidating all government business information and services into a single location. The CBSCs will also be the contact point or first step for information and access to the new targeted capital funds.

Mr. Axworthy stated: "I have always advocated increased cooperation between governments, the private sector and other stakeholders to improve services and to ensure the most efficient use of taxpayers' money. That view was reflected in our 1993 report, *Western Cooperation: A Vision for Economic Renewal in Western Canada*, and forms the foundation of these new initiatives. The new Investment Capital Pools will enable us to work with financial institutions to lever significant private sector dollars which will be available to small businesses."

The new departmental directions reflect the economic measures outlined in Monday's federal Budget.

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WD NEW DIRECTIONS

HIGHLIGHTS

- Western Economic Diversification will no longer be making direct loans to business.
- The Department's ongoing program budget has been reduced and will continue to decline over the next few years by a total of 75%, including an immediate reduction of \$49 million, or 22%. Beginning in 1996-97, WD will be required to fund its ongoing activities from the repayment of loans made in past years.
- Western Investment Funds will be established with commercial lending institutions to assist small businesses within industries and sectors identified as key to diversifying the western Canadian economy. The leverage of private sector financing will provide more access to capital than under previous funding policies.
- Access to capital is a major obstacle for small business in Western Canada and WD's efforts will focus on expanding access to financial institutions such as the chartered banks, credit unions, trust companies, cooperatives, the Farm Credit Corporation and the Federal Business Development Bank. Loans from these investment funds will be approved on commercial terms.
- The Department will be specifically targeting emerging, high growth areas such as agricultural biotechnology, environmental industries, tourism and agricultural value-added products. WD will also focus on specific obstacles facing female business owners through the Women's Enterprise Initiative.
- WD will work to create an entrepreneurial environment free of regulatory obstacles and government overlap and duplication. WD will support the creation of strategic alliances with the provinces, industry associations and financial institutions which will lead to joint initiatives in emerging and growth industries in Western Canada.
- WD will promote community development by assisting rural areas to achieve their economic potential through the Community Futures program and other initiatives. Community Futures brings communities together to create jobs through new and expanded businesses. It is run primarily by local volunteers who are responsible for assessing - with the assistance of government officers - the region's overall economic needs and forming a strategic plan to meet those needs.
- WD will provide single-window access to a wide range of business services - offered by both the public and the private sectors - through expanded Canada Business Service Centres in urban centres, and the Community Futures offices in rural areas.
- WD will continue to bring a western perspective in national decision-making and act as an advocate for the West

WD'S NEW DIRECTIONS

BACKGROUNDER

In November 1993, WD refocused its financial assistance exclusively on small business and placed greater emphasis on regional cooperation and pan-western strategic initiatives. As a result, cooperative initiatives are now underway in areas such as tourism marketing and food exports. ✓

Since then, the Department has undertaken a range of consultations with western industry and the provinces about the diversification of the western economy and about the future directions of WD. The public consultations conducted by the caucus committee chaired by Morris Bodnar, MP for Saskatoon-Dundurn, provided useful recommendations to promote economic development of the region.

Several themes emerged from these consultations. Westerners said that pan-western cooperation will ensure the most efficient use of taxpayers' money and that public investment must be directed to areas of strategic importance. The consultations underscored the importance of communities to the economic vitality of Western Canada and stressed that community development must be based on the needs and priorities identified by each community. Finally, the consultations emphasized that western Canadian priorities must be addressed in national decision-making. WD's new directions move forward on these themes.

WD will focus its activity on five key areas:

1. **Creating a positive business climate:** WD will work to create an entrepreneurial environment free of regulatory obstacles and government overlap and duplication. WD will support the creation of strategic alliances in the West and will assist western Canadian firms to be more competitive internationally.
2. **Supporting strategic investment in Western Canada:** WD will establish investment funds with financial institutions to improve small business' access to capital - on commercial terms. The Department will focus scarce resources on strategic initiatives in industries with high potential growth and in areas of strategic importance to diversifying Western Canada's economy.
3. **Promoting community development:** WD will assist communities to identify their own needs and priorities by supporting local economic development strategies through the Community Futures program and increased access to capital funds. Women's Enterprise Centres are being established to provide a range of services targeted to women entrepreneurs -- including increased access to capital.

Providing leadership in services to business: WD will provide single-window access to business services by expanding Canada Business Service Centres and extending services to rural areas.

Bringing a western perspective in national decision-making: WD will continue to represent western views in national decision-making and to tailor federal initiatives to the particular needs of Western Canada.

Appendix I – Interviews from Preliminary Survey**Location**
Headquarters**Position**

Director General, Corporate Services
Director General, Finance & Programs
Director - Policy
Director - Programs Headquarters
Program - Manager Headquarters
Senior Advisor - Policy & Planning Branch Headquarters
Manager, Financial Policy and Corporate Accounting

Alberta Region – Edmonton

A/Assistant Deputy Minister
A/Director – Policy, Planning & External Relations
A/Director – Operations
Manager - Entrepreneurship, Partnerships & Program Services
Manager - Infrastructure Program
Manager – Finance
Manager - Monitoring & Payments
A/Manager - Consultations, Marketing & Communications

Alberta Region – Calgary

A/Manager - Calgary Operations
Business Officer
A/Business Officer

British Columbia Region – Vancouver

Assistant Deputy Minister
Senior Advisor - Softwood Industry
Director General – Operations
Director - Policy, Planning & External Relations
Manager – Strategic Policy & Economic Analysis
Manager – Innovation
Manager - Rural, Sustainable Communities
Manager – Business Development & Entrepreneurship
A/Manager - Sustainable Communities (Urban)
A/Manager - Finance & Corporate Services
A/Manager - Marketing & Communication
Regional Finance Officer
Manager - Monitoring & Payments

Senior Environmental Assessment Officer
Senior Policy Officer
Program Delivery Officer
Communications Officer
Project Officer

Saskatchewan Region – Saskatoon

Director General - Operations
Manager - National Programs
Manager - Project Operations
Manager - Finance & Corporate Services
Senior Business Officer - Partnership Agreements
Senior Business Officer - National Programs
Senior Business Officer

Saskatchewan Region – Regina

Senior Business Officer - National Programs, Infrastructure
Business Officer
Business Officer

Manitoba Region – Winnipeg

Director General, Operations
Manager, Operations (Service Delivery Partnerships)
Manager, Operations (Program Delivery)
Manager, Finance & Corporate Services - Monitoring
& Payments
Manager, Consultations, Marketing & Communications
Administrator, Urban Development Agreement

Community Futures Development Association of British Columbia

Quality Review Officer
Quality Review Officer
Office and Financial Manager
Investment Fund Manager

Future Corp Cowichan

General Manager
Assistant General Manager

Community Futures Development Corporation of Central Island

Business Analyst

Community Futures South Fraser

General Manager
Community Outreach Officer Chilliwack
Community Economic Adjustment Coordinator
Business Counsellor Chilliwack

Appendix J - Project Monitoring and Payments Audit Follow-up December 2005

<p>1. Develop a department-wide risk Management framework.</p>	<p>RMAFs and RBAFs are being completed as programs come up for renewal. Risks were considered in RBAF and RMAF development and monitoring plans for programs.</p> <p>Project risk has been reviewed by M&P and new criteria developed. Risk is now automatically generated with the DDR and the risk rating captured in GX.</p> <p>KPMG recommended changes to the audit policy for WDP and those changes may be implemented in next fiscal period with a new tool from A&E for random sampling.</p>
<p>2. Design a project performance measurement function.</p>	<p>Project Assessment Tool (PAT) is used to identify performance measures (indicators). M&P has committed to developing a system to follow up on results.</p>
<p>3. Complete the development and implementation of Results Based Management and Accountability Frameworks (RMAFs) and Risk Based Auditing Framework RBAFs for all programs.</p>	<p>WDP-RMAF and RBAF completed for the program</p> <p>Community Futures Program (CFP)-RMAF and RBAF approved.</p> <p>Loan Investment Fund Program (LIFP)- has an RMAF and RBAF awaiting approval.</p> <p>Social Economy- RMAF and RBAF approved.</p> <p>Women's Enterprise Initiative (WEI)- under development</p>
<p>4. WD should define standards for monitoring and claims verification activities</p>	<p>Developed an expedited versus a comprehensive claims review. Won't have separate standards for each program. The level of review will be based on risk. Standard review forms and processes are being developed which will dictate the standards</p>
<p>5. WD should develop and maintain standard policies and procedures for</p>	<p>The working group is well into this now, and so far they have standardized the</p>

M & P across all regions.	instructions, forms and reporting requirements for clients. The claim package used by M&P internally is in the process of being finalized. Work on project achievements will be undertaken next fiscal year. There is a central intranet site located under HQ where policies can be located.
6. WD should clarify the intent and process for involving M & P in the review of draft contribution agreements.	In all three regions that have a separate M & P group, agreements are being reviewed.
7. WD should identify and address training requirements for M & P.	A department wide team was set up with 3 M & P managers on the team. A 3 day training session is planned in 2006. Probably more than half of the regional M&P folk are represented in the M&P workgroup, so as the process is revised or developed some training is occurring spontaneously. Due to the different operational structure in SK, training will be provided once the procedures are finalized.
8. WD should define and implement a central coordinating role for the M & P function.	HQ has taken on this role and the M & P working group progress is being logged on the intranet site. Mission and mandate are outlined on the intranet site.
9. WD should develop operating standards and performance measures for M & P.	The M & P working group is looking at changing the process, which establishes the standards. An evaluation will come at a later date to determine needs. Best practices are being shared through the M&P working group.
10. WD should implement a quality assurance review process and conduct periodic internal audits of M & P.	The working group is reviewing and standardizing processes. A review is to follow after that is complete. The QAR form is to be maintained. After implementation (about a year), an assessment of how it is working will be done.
11. Address the recommendations from	An electronic reporting system is being

the Audit of the Community Futures Program (Grant Thornton 2003) and consider their applicability to all types of service delivery partners.	developed with respect to performance reporting.
12. Improve management information reporting capabilities.	Upgrades to PAT allow us to track additional information which we can design reports (in InfoQuest) to examine that data. We now have a report available for PAA
13. Consider implementing a project management system.	Project Gateway is our project management system recognizing all of the phases in a project lifecycle
14. WD should review the structure of M & P, and its staffing levels and mix.	Standardization is still in process. Once this is complete the staffing levels and mix will be reviewed. With the new processes we will revisit SK and their use of the cradle to grave approach to see how well that has worked