

WESTERN ECONOMIC DIVERSIFICATION CANADA

Report on Plans and Priorities (1998-1999)

John Manley
Minister of
Western Economic Diversification

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A. Minister's Message

A new global economy based on knowledge and innovation is rapidly emerging. Canada has the opportunity to position itself as a world leader in this knowledge-based economy, and the Industry Portfolio plays a key role in the government's strategy to seize this opportunity. Bringing together thirteen departments and agencies responsible for science and technology, regional development, marketplace services and micro-economic policy, the Industry Portfolio is a powerful toolkit to help Canada make a smooth transition to the economy of the 21st Century.

Since the creation of the Industry Portfolio, my priority has been to ensure that the Portfolio focuses on helping Canadian businesses to fulfill their potential to innovate, grow and create jobs. Portfolio members work together and with other partners to narrow Canada's gaps in the areas of innovation, trade, investment, human resources and community economic development, helping to create jobs and wealth in all sectors of the economy and in all regions. In so doing, we are helping Canadian businesses to position themselves at the forefront of the knowledge-based economy.

The Portfolio members' Reports on Plans and Priorities collectively illustrate how the Portfolio is meeting the challenges of the knowledge-based economy through our focus on: 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. The Portfolio is strongly committed to achieving these objectives and has a strong sense of accountability to Canadians for their delivery. We are also committed to measuring the success of our performance and to reporting on our accomplishments in future performance reports.

Working together, we will make a difference to the economic and social fabric of Canada and ensure our success in the global knowledge-based economy.

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
(formerly the Federal Office of Regional Development
(Quebec))
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 Reports on Plans and Priorities*

The Honourable John Manley

B. Secretary of State's Summary

I am pleased to table this Report on Plans and Priorities for the Department of Western Economic Diversification (WD). In recent years, WD has shifted from a department that provided interest free loans to western businesses to a department which provides integrated service to small business. In the context of the Industry Portfolio, WD contributes to the government's job creation efforts by providing advice, support and assistance to small and medium-sized enterprises (SMEs). WD is working to ensure a vibrant and strong economy in the West.

The Department's mission is to provide a network of partnerships providing access to services critical to small business and entrepreneurial success as well as representing western Canadian economic interests.

WD's network of partnerships is intended to provide enterprises and entrepreneurs with the necessary tools and business environment to:

- increase access to private sector capital;
- improve access to information which is of particular relevance to small business;
- develop new working relationships with other levels of government, communities, voluntary and private sectors; and
- enhance their capacity to undertake sound business planning/practices and to sell into new international and domestic markets.

The WD service strategy is to support and expand the capacity of the Western Canada Business Service Network which is a partnership of over one hundred points of contact delivering service to western Canadians in urban, rural and remote communities. WD is aggressively pursuing opportunities to integrate the delivery of federal, provincial, municipal and private sector services to business.

The Department is also responsible for the regional delivery of national economic development programs including special adjustment initiatives in cases where communities are faced with special economic challenges. (Examples include the Manitoba flood and closure or commercialization of federal facilities). Through the Infrastructure Program, WD provides assistance to western communities in order to refurbish or build essential facilities and stimulate local employment.

To meet the needs of small business and western communities, WD will continue its evolution to a client service organization. The Department is assessing new options to improve the climate in which small business can prosper and it is encouraging the development and application of new technologies. WD is also working to enhance economic opportunities for youth, Aboriginals and other groups requiring special attention.

We define service from the client's perspective: relevance and value-added; timelines; accessibility and responsiveness to the changing needs of clients - balanced with measures of program efficiency and effectiveness.

The Honourable Ron J. Duhamel

C. MANAGEMENT REPRESENTATION
Report on Plans and Priorities 1998-99

I submit, for tabling, in Parliament, the 1998-1999 Report on Plans and Priorities for the Department of Western Economic Diversification.

To the best of my knowledge the information:

- Accurately portrays the Department's mandate, plans, priorities and expected key results of the organization.
- Is consistent with the disclosure principles contained in the Guidelines for Preparing a Report on Plans and Priorities.
- Is comprehensive and accurate.
- Is based on sound underlying departmental information and management systems.
- I am satisfied as to the quality assurance processes and procedures used for the RPP's production.

The Planning and Reporting Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Oryssia J. Lennie
Deputy Minister
Western Economic Diversification

Date: _____

Section II: Departmental Overview

MANDATE

- To promote the development and diversification of the western Canadian economy;
- to coordinate federal economic activities in the West; and
- to reflect western Canadian interests in national decision-making.

(ref. Western Economic Diversification Act, 1988).

A. Mandate, Roles and Responsibilities

WD's mandate, as defined in the Western Economic Diversification Act of 1988, is broad and flexible. It enables the Department to play both an innovative and a responsive role on behalf of the Government of Canada at both a policy and program or service level in western Canada. While WD was best known in its initial eight years for the delivery of the Western Diversification Program (WDP), which invested over \$1.2 billion in more than 4,000 businesses, since 1995 it has been moving to a client service organization supporting the growth of small businesses in western Canada. During 1996-1997, WD developed a new vision and mission statement, which reflected its revised priorities.

VISION

To be leaders in delivering integrated government service to small and medium-sized businesses in western Canada.

MISSION

A network of partnerships providing access to integrated services critical to small business and entrepreneurial success, including:

- facilitating access to capital;
- expanding access to business information;
- developing and delivering targeted business services; and
- representing western Canadian economic interests.

The Department is the single point of contact for the delivery of federal services to small business and entrepreneurs as well as continuing to effectively represent western Canadian economic interests.

Public consultations and studies have articulated the needs of small business which can be summarized under six broad headings:

Access to Capital

Due principally to their size, small and medium-sized enterprises (SMEs) have difficulty accessing debt/equity financing and this problem is accentuated for knowledge-based, soft asset firms.

Access to Markets

Relatively few western SMEs are familiar with international markets which offer important opportunities for new jobs and growth.

Access to information

With their limited resources, SMEs are typically unaware of the sources of business information and advice, and they have difficulty in effectively accessing government information.

Access to innovation

Similarly, the ability to compete in the global marketplace depends on the ability to develop, commercialize, and utilize technology.

Access to skills

Management skills and a trained workforce are critical to success, but small businesses have limited resources to invest in training.

Favorable Business Climate

Including the streamlining of the administration of government regulations.

WD 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 physical challenges.

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 one 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.

WD's day to day activities are guided by the strategic priorities contained in its "new directions" thrust:

- Capital Services
- Information Services
- Business Services
- Integration of government services to business
- Advocacy of western interests in national decision making

Core Programs: Organization Composition

The key operating context for WD's core programs has been the challenge to make more effective use of its grants and contributions budget through innovative partnerships, through increased adoption of information technology, and through strengthened services to business clients. Each of the WD core programs reflects this challenge:

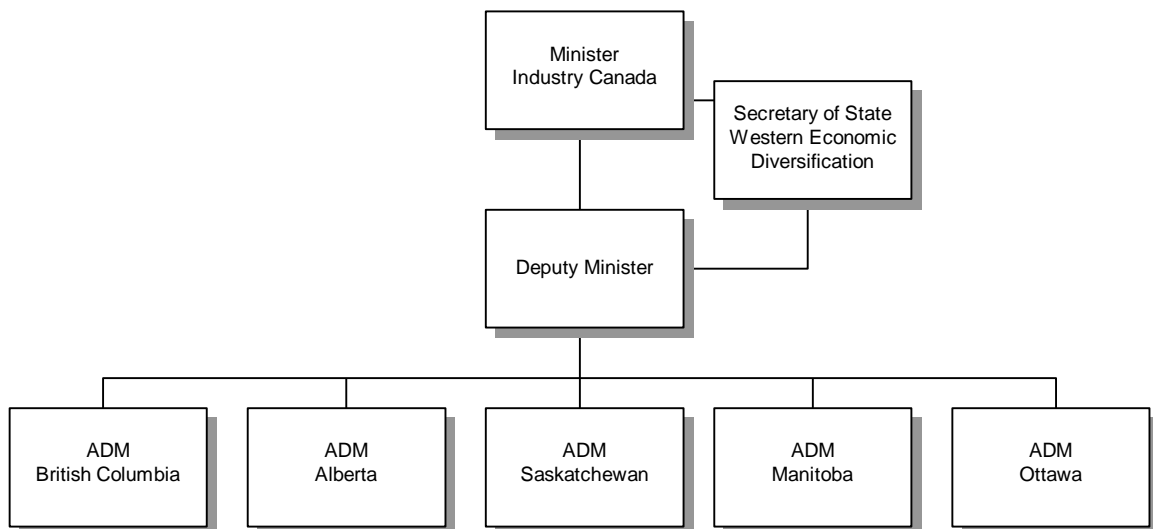
- **Capital Services:** the conception, negotiation and implementation of targeted loan funds with commercial lenders, to improve access to capital for small and medium businesses. WD is using its funding to encourage the banks to move further up the risk curve. In addition, WD has provided additional loan capital to third party organizations, such as Community Futures Development Corporations (CFDCs) and Women's Enterprise Initiatives (WEIs), to invest in hundreds of small businesses.
- **Information Services:** increased use is made of information technology to provide cost effective business information. Developing new information products, such as the Interactive Business Planner, or tailoring existing products for western needs, along with the upgrading of the technology and training levels of WD and its network members, are key components.
- **Business Services:** specialized services which are tailored to western needs in export readiness, accessing government procurement, easier access to regulatory information and business registration and preparation of business plans.
- **Integration of government services to business:** WD, the CFDC members and WEI represent an opportunity to provide integrated delivery of federal government services at the community level, in urban, rural and remote areas of western Canada. The network represents the most comprehensive and "grass-roots" delivery vehicle for business services by the Government of Canada in the West.
- **Advocacy of western interests in decision making:** The Department supports and briefs the Secretary of State and the Minister on issues of interest

to western Canada. WD also advocates for western Canada in terms of fair access to federal government contracts as well as ensuring that western views are adequately reflected in national decision-making.

In addition to these five major business lines, WD is responsible for three special activities:

- **National Programs:** delivery of national economic development programs, including the Infrastructure Works Program and special community adjustment initiatives such as military base closures and natural disasters (e.g. Manitoba flood).
- **Legacy Programs:** administration and recovery of outstanding loans.
- **Strategic Initiatives:** public/private partnerships, federal/provincial and tripartite economic development initiatives to address key competitiveness challenges.

The Department's Headquarters is co-located in Edmonton with the Regional Office for Alberta. There are also regional offices located in each of the other western provinces: in Winnipeg, Saskatoon and Vancouver which deliver WD's programs and business lines. As well, there is an Ottawa office which provides a liaison and advocacy function and support to the Secretary of State and Minister. Under the direction of an Assistant Deputy Minister, each regional office has functional leadership for the pan-western delivery of one or more core programs. In addition, the regional Assistant Deputy Ministers are accountable for the regional delivery of all programs and services.



B. Objective

“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)

C. Financial Spending Plan

Western Economic Diversification Canada Financial Spending Plan

(thousands of dollars)	Forecast Spending 1997-98*	Planned Spending 1998-99	Planned Spending 1999-00	Planned Spending 2000-01
Program Spending:				
Western Economic Diversification	337,894	313,626	161,683	147,884
<i>Less:</i> Revenue credited to the Consolidated Revenue Fund	65,073	56,235	49,586	40,753
<i>Plus:</i> Cost of services provided by other departments	3,307	3,265	3,147	3,147
Net Cost of the Department	276,128	260,656	115,244	110,278

* Reflects best forecast of total planned spending to the end of the fiscal year.

Section III: Plans, Priorities and Strategies

A. Summary of Key Plans, Priorities and Strategies

Western Economic Diversification Canada	
<p>(PLAN) to provide Canadians with : Delivery of economic development programs to western communities.</p>	<p>(STRATEGIES) to be demonstrated by :</p> <ul style="list-style-type: none"> • Continuation of the management of the Infrastructure program. • Negotiation of new Western Economic Partnership Agreements with provincial governments. • Support for and coordination of federal economic adjustment initiatives to address priority issues (e.g. closure of federal facilities, natural disasters etc.).
<p>Service to small business and entrepreneurs through innovative partnerships and client centered service.</p>	<ul style="list-style-type: none"> • Provision of an Integrated Service Delivery Network of over 100 service delivery points (including Canada Business Service Centres, Community Futures Development Corporations and Women’s Enterprise Centres) providing a “single window” whereby urban, rural and remote business communities across western Canada can easily access government and business information and services.
<p>Accessibility of small business in western Canada to capital services.</p>	<ul style="list-style-type: none"> • Providing small business (including targeted groups such as women and youth entrepreneurs) in urban, rural and remote communities, access to capital through: <ul style="list-style-type: none"> • loan/investment fund partnerships with public and private sector financial institutions for access to risk capital for new technology sectors; and • loan funds in Community Futures Development Corporations and Women’s Enterprise Centres.

<p>Filling gaps in government services to small business and complementing existing services.</p>	<ul style="list-style-type: none"> • Export readiness assistance to small business in collaboration with other government departments and industry to increase export sales and generate new jobs. • Assistance to small business to develop business plans. • Assistance to small business in accessing government procurement opportunities to increase sales of services and goods to targeted markets. • Working with industry, the western provinces, and other federal government departments to harmonize regulations for small business and to provide easier access to regulatory information at lower cost.
<p>Representation of western interests in national decision making.</p>	<ul style="list-style-type: none"> • Ensure western needs are recognized in government programs and policies. • Liaison with other members of the Industry Portfolio, other government departments, western provinces, communities and businesses.

B. Details by Core Programs

Capital Services

Objectives

Increase small business awareness and access to higher-risk financing, with a particular focus on key growth industries and technology sectors. The Department's strategy to meet this objective includes:

- the establishment, marketing, and delivery to small business of higher-risk loan/investment funds in partnership with financial institutions and other capital providers;
- professional services and information to assist small business develop business plans required to access financing through WD's Loan/Investment Fund program;
- funding Community Futures Development Corporations (CFDCs) and Women's Enterprise Initiatives (WEIs) to target loans and professional services to women, aboriginal and young entrepreneurs in rural and remote communities;
- general information and assistance to small business on accessing a wide variety of financing.

External Factors Influencing the Core Program

The needs of small business have been documented through exhaustive studies and consultations. These deliberations have confirmed that small businesses, particularly in soft asset new economy areas, were not being well served by traditional financial institutions. There were numerous issues identified in support of this concern (e.g. lack of expertise in preparing business plans, relatively high costs of transacting small loans, lack of lender confidence in these types of loans etc.).

The Loan/Investment Funds program is a public/private partnership which provides patient loans and counseling services to firms in key growth areas. This initiative leverages private sector investment in higher-risk, emerging and export-oriented industries. The WD funds provide loan loss reserves and are intended to maximize private sector lending to small business. The WD funds are repayable and will be returned to the Department for re-investment in the West. WD offers a value-added role by providing business planning support to applicants under the Funds. Fund structure varies depending on the industry and financial partner(s). The Funds are not subsidies and are delivered on commercial terms, with lending decisions made at arms-length from WD.

Impact

Greater awareness of and access to higher-risk capital for small business contributing to long-term sustainable growth and job creation, particularly in rural areas, key growth industries and technology sectors.

Expected Results

Outcomes	Measures
<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.</p> <p>c) WEI Loan Funds - 170 loans for a total of \$4 million.</p>	<ul style="list-style-type: none"> • Client satisfaction. • Take-up rates for WD, CFDC and WEI Loan Funds. • Amount of supplementary (other) funding accessed by WD clients.
<p>2. Improved business planning and by clients.</p>	<ul style="list-style-type: none"> • Client satisfaction.

	<ul style="list-style-type: none"> • Loan approval rates.
3. Effective relationships with financial partners.	<ul style="list-style-type: none"> • Partner satisfaction. • Take-up rates for WD, CFDC and WEI Loan Funds.
4. Effective utilization of available resources.	<ul style="list-style-type: none"> • Actual versus budget.
5. Improved client service skills of WD's client service staff, focusing on: <ul style="list-style-type: none"> a) Knowledge of capital markets and financing options. b) Marketing, business planning and coaching skills. 	<ul style="list-style-type: none"> • WD client satisfaction. • Proportion of client services staff trained.

Information Services

Objective

Increase access to business information by western Canadian small business by developing, promoting and delivering:

- business information products and services tailored to the needs of western Canadian small business; and
- strategies to broaden access to business information in the West.

External Factors Influencing the Core Program

As a result of the two Program Review exercises, the Department was challenged to define a new role and create a single point of contact for all federal services to small business in the West. 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 CFDCs, 4 WEIs and 4 Canada Business Service Centres), 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.

The Information Services Secretariat supports other WD business lines and the WCBSN to provide relevant, timely information in an electronic format for use by small business and entrepreneurs. Information Services works with network members, WD staff and other organizations to find the most appropriate technology for electronic access to products and services by small business.

Impact

- Easier access to business information products by western small businesses;

- collaborative development of information products tailored to the needs of western small business; and
- WCBSN to be provided with increased capacity to deliver business information services to clients.

Expected Results

Outcomes	Measures
1. Western small businesses have access to an integrated information service that provides: <ul style="list-style-type: none"> • information, products, primarily interactive, tailored to their specific needs. • referrals to sources of more specialized expertise. 	Trend rate of use of WCBSN information products. Small business satisfaction with: <ul style="list-style-type: none"> • accessibility of the service. • appropriateness and quality of the services used.
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.	<ul style="list-style-type: none"> • Capability of Network members and WD staff to deliver the full range of information products. • Trend rate of use. • Satisfaction among network members.
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).	<ul style="list-style-type: none"> • Implementation and continuing development of the electronic infrastructure. • Trend rate of use, type of Network member, and types of products used. • Benchmarked against other regional agencies electronic information offerings in terms of standards, access and use.

Targeted Business Services

Objectives

To develop and deliver Targeted Business Services which western Canadian entrepreneurs require to prepare themselves for success in starting and expanding their businesses, and targeting markets which they may not otherwise be capable of accessing .

External Factors Influencing the Core Program

Small business clients are looking at options to increase their share of domestic and international markets, reduce regulatory burdens and increase the opportunities for western businesses to access public sector contracts. WD's services are focused on:

- preparing more western small businesses to export to the international market;
- broadening the pool of western suppliers for public sector procurements;
- assisting clients to develop their business plans; and
- streamlining regulatory requirements affecting small businesses and entrepreneurs.

Impact

A growing number of SMEs and entrepreneurs will be equipped with the skills and resources needed to make informed business decisions leading to enhanced success, competitiveness and increased sales of products and services in both domestic and international markets.

Expected Results

Outcomes	Measures
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.	Trend in the number of participating SMEs that achieve first or sustained export sales.
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.
3 WD staff will respond to and satisfy 15,000 client requests for <u>Client inquiry and information request services</u> and diagnostics and thereafter increase the number of clients served by 20% annually.	Trend in the number of client inquiries and requests satisfied.
4 WD staff will directly provide <u>options assessment and action planning services</u> 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% annually.	Trend in the number of clients: <ul style="list-style-type: none"> • using WD's options assessment and action planning services. • with completed business plans.

5. 5,000 businesses in western Canada will utilize the electronic <u>One-Stop Business Registration</u> (OSBR) system in 1997, rising to 10% of all unincorporated business registrations by the year 2000.	Trend in the number of businesses registering via OSBR, relative to all business registrants.
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Service Partnerships

Objectives

Develop and implement innovative and/or alternative service delivery arrangements which meet the needs of western communities and small business.

External Factors Influencing the Core Program

In its efforts to improve service to Canadians, governments across Canada have implemented various quality service initiatives which are intended to streamline and simplify the methods of how service is offered to citizens. The structure of public sector service delivery has been redesigned to be more client/citizen oriented and encourage the development of partnerships as well as consultations with service users.

WD's Service Partnerships activities key on strengthening and expanding the WCBSN, as well as developing private/public, intergovernmental and industry partnerships. WD facilitates the organization of service delivery from the client's perspective and works to reduce overlap, duplication and enhance access to service.

Impact

Improved small business access to quality service throughout western Canada.

Expected Results

Outcomes	Measures
1. Small businesses and entrepreneurs have ready access to services to business.	<ul style="list-style-type: none"> • Number of points of service in WCBSN • Total number of services provided by WCBSN members. • Total number of service delivery agreements between WD and other organizations.
2. Small businesses consistently receive high-quality service from Network partners.	<ul style="list-style-type: none"> • Client satisfaction level. • Service standards met.

<p>3. Small businesses recognize Network partners as a leading source of services to small business.</p>	<ul style="list-style-type: none"> • Type and number of programs and services available. • Number of client services provided by CFDCs and WEIs. • Number of client contacts by CBSCs. • Awareness survey.
<p>4. Efficient and effective management of service partnerships.</p>	<ul style="list-style-type: none"> • Satisfaction level of Network partners • Percentage of available funding committed/disbursed • Program administrative costs as a percentage of total program costs • Degree to which administrative systems support cooperative or alternative service delivery.

Strategic Initiatives & Special Projects

Objectives

To develop innovative arrangements, networks and consortia among industry, government, academic institutions, research institutions in order to improve the overall competitiveness of western Canada and create business opportunities for individual businesses and entrepreneurs.

External Factors Influencing the Core Program

In support of the Government’s economic development policy agenda, the Strategic Initiatives program (SI) coordinates economic development initiatives to address key challenges. In the next two years, WD will target specific increased initiatives for youth as well as programs for Aboriginal, francophone and disabled entrepreneurs. The Department will also focus on opportunities in the following areas; health industries, tourism, science & technology, micro-loans, sub-sea technologies and entrepreneurship development.

Impact

Contributing to the economic diversification of the West; developing an economic climate and infrastructure to ensure the long-term viability and success of small business in the West and bringing consistency and coordination to the delivery of economic development programs.

Expected Results

Outcomes	Outcome Measures
1. Respond to emerging needs identified by small business and entrepreneurs.	Improved growth and profitability of western small business in specific target groups.
2. Good relationships with provinces, other federal departments, industry organizations, and other partners.	Partner satisfaction.
3. Implement a process for initiating, developing & implementing SIs and special projects, including investment strategies.	Process & strategies designed and implemented.
4. Developing a department-wide system of coordinating and tracking SIs and special projects.	System developed and implemented.
5. Developing a system of coordinating and tracking Urban Development Agreements & Partnership Agreements.	System developed and implemented.

Legacy Programs

Objectives

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.

External Factors Influencing the Core Program

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).

Impact

Maximum yield on existing portfolio while maintaining a climate for economic growth and job creation.

Expected Results

Outcomes	Measures
1. Repayable contributions repaid in accordance with terms of contracts.	<ul style="list-style-type: none">• Collect \$42.4 million in accordance with terms of repayable contribution agreement.• Economic impacts of project amendments (reprofiling of repayments).• Client satisfaction.
2. Improve accuracy and timeliness of revenue and expenditure forecasting.	<ul style="list-style-type: none">• Timeliness of monthly cash flows updates.• Actual net cash flow compared to forecast net cash flow.• Increase in project monitoring activity.
3. Achieve lower collection costs for repayable contributions.	<ul style="list-style-type: none">• Administration costs as a % of repayable contributions.• Streamlining of project amendment process/cycle time to approve projects.

National Programs

Objectives

- To create employment and renew community infrastructure through the tripartite Infrastructure Works Program; and
- to mitigate the economic impact on communities affected by federal facility closures or reductions, including military base closures, by natural disasters or by changes in federal policies and programs.

External Factors Influencing the Core Program

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.

Impact

Contributes to long-term sustainable economic growth and jobs, and the stability of communities in western Canada.

Expected Results

Outcomes	Measures
1. Job creation and infrastructure renewal.	<ul style="list-style-type: none"> • Number of jobs created. • Total leveraged expenditures on infrastructure.
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"> • Economic impacts of WD sponsored initiatives, including jobs created/maintained. • Preservation of key core community infrastructure such as hospitals, community centres and airport facilities. • Satisfaction of stakeholders/partner organizations.
3. Efficient delivery of national programs resulting in timely project or agreement approvals and amendments as well as compliance to the terms and conditions of the agreements.	<ul style="list-style-type: none"> • Administrative overhead cost as a percentage of total program cost. • Cycle time to approve projects. • Client/partner/stakeholder satisfaction.
4. Full commitment/disbursement of available program funds.	<ul style="list-style-type: none"> • Total funding committed/disbursed.
5. Leveraged federal funds.	<ul style="list-style-type: none"> • Total funds leveraged.

Section IV: Supplementary Information

Industry

TABLE 1: Spending Authorities - Ministry Summary Part II of the Estimates

Vote	(thousands of dollars)	1998-99 Main Estimates	1997-98 Main Estimates
Western Economic Diversification			
115	Operating expenditures	33,915	32,457
120	Grants and contributions	231,263	203,411
(S)	Liabilities under the <i>Small Business Loans Act</i>	44,200	16,700
(S)	Contributions to employee benefit plans	4,248	3,370
Total Agency		313,626	255,938

TABLE 2.1: Planned Full-Time Equivalents (FTEs) by Program

	Forecast 1997-98	Planned 1998-99	Planned 1999-00	Planned 2000-01
Western Economic Diversification	333	324	313	313

TABLE 2.2: Details of FTE Requirements

(\$ dollars)	Forecast 1997-98	Planned 1998-99	Planned 1999-00	Planned 2000-01
Salary Ranges				
< 30,000	49	45	45	45
30,000 - 40,000	71	69	67	67
40,000 - 50,000	60	60	60	60
50,000 - 60,000	36	36	36	36
60,000 - 70,000	60	57	51	51
70,000 - 80,000	36	36	35	35
> 80,000	21	21	19	19
Total	333	324	313	313

TABLE 3: Departmental Summary of Standard Objects of Expenditure

(thousands of dollars)	Forecast Spending 1997-98	Planned Spending 1998-99	Planned Spending 1999-00	Planned Spending 2000-01
Personnel				
Salaries and wages	17,523	20,227	18,441	18,441
Contribution to employee benefit plans	3,547	4,248	3,873	3,873
	21,070	24,475	22,314	22,314
Goods and services				
Transportation and communications	3,849	3,027	2,000	2,000
Information	1,923	1,900	1,700	1,700
Professional and special services	7,131	6,100	4,900	4,851
Rentals	384	500	500	500
Purchased repair and maintenance	130	261	300	300
Utilities, materials and supplies	880	900	773	773
Other subsidies and payments	0	0	0	0
Minor capital	724	1,000	1,000	1,000
	15,021	13,688	11,173	11,124
Total operating	36,091	38,163	33,487	33,438
Transfer payments				
Voted	275,303	231,263	91,496	89,646
Statutory	26,500	44,200	36,700	24,800
	301,803	275,463	128,196	114,446
Total	337,894	313,626	161,683	147,884

TABLE 4: Program Resources for the Estimates Year

(thousands of dollars)	FTE	Budgetary				Gross Planned Spending	Less: Revenue Credited to the Vote	Net Planned Spending
		Operating	Grants and Contributions	Gross Voted	Statutory Items*			
Western Economic Diversification	324	38,163	231,263	269,426	44,200	313,626	0	313,626

*Does not include non-budgetary items or contributions to employee benefit plans that are allocated to operating expenditures.

TABLE 5: Transfer Payments

(\$ thousands of dollars)	Forecast Spending 1997-98	Planned Spending 1998-99	Planned Spending 1999-00	Planned Spending 2000-01
GRANTS				
Grants for the Western Economic Diversification Program	22,475	5,000	5,000	5,000
Total Grants	22,475	5,000	5,000	5,000
CONTRIBUTIONS				
Western Diversification Program	126,500	132,415	80,496	77,646
Canada Infrastructure Works Program	120,328	86,848	0	0
Loan Fund Program	6,000	7,000	6,000	7,000
(S) Liabilities under the Small business Loans Act	26,500	44,200	36,700	24,800
Total Contributions	279,328	270,463	123,196	109,446
Total Transfer Payments	301,803	275,463	128,196	114,446

(S) Statutory Vote

TABLE 6: Revenue Credited to the Consolidated Revenue Fund (CRF)

(\$ thousands of dollars)	Forecast Revenue 1997-98	Planned Revenue 1998-99	Planned Revenue 1999-00	Planned Revenue 2000-01
Repayment of repayable contributions	45,000	43,000	37,000	31,000
Adjustment to previous years payables at year- end	1,000	0	0	0
Service fees under the Small Business Loans Act	18,073	12,235	11,586	8,753
Other Revenue	1,000	1,000	1,000	1,000
Total Revenue Credited to the CRF	65,073	56,235	49,586	40,753

TABLE 7: Net Cost of Program for 1998-1999

(\$ thousands of dollars)	Western Economic Diversification
Gross Planned Spending	313,626
Plus:	
<i>Services Received without Charge</i>	
Accommodation provided by Public Works and Government Services (PWGSC)	1,900
Contributions covering employees' share of insurance premiums and costs paid by TBS	1,335
Workman's compensation coverage provided by Human Resources Canada	30
	3,265
Total Cost of Program	316,891
Less:	
Revenue Credited to the CRF	56,235
Net Cost of Program	260,656
1997-98 Estimated Net Program Cost	276,128

References

Western Economic Diversification Canada

General Inquiries
Canada Place
Suite 1500, 9700 Jasper Avenue
Edmonton, Alberta T5J 4H7
1-888-338-9378 <http://www.wd.gc.ca>

Capital Services

Mr. Orville Buffie, Assistant Deputy Minister
712-240 Graham Avenue
Winnipeg, Manitoba R3C 2L4
(204) 983-5715
(205)

Information Services

Mr. Doug Maley, A/Assistant Deputy Minister
119, 4th Avenue South
Saskatoon, Saskatchewan S7K 3S7
(306) 975-5858

Ottawa Office

Assistant Deputy Minister
200 Kent Street, 8th floor
Ottawa, Ontario K1P 5W3
(613) 952-7096

Targeted Business Services

Ms. Donna Mitchell, Assistant Deputy Minister
1200-1055 Dunsmuir Street
Vancouver, B.C. V7X 1L3
(604) 666-6366

Service Partnerships-Strategic Initiatives

Mr. Gary Webster, Assistant Deputy Minister
Canada Place
Suite 1500, 9700 Jasper Avenue
Edmonton, Alberta T5J 4H7
(403) 495-4168