



Western Economic Diversification Canada

Performance Report

For the period ending
March 31, 2000

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 the *Part III of the Estimates* document for each department or agency into two separate documents: a *Report on Plans and Priorities* tabled in the spring and a *Departmental Performance Report* tabled in the fall.

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.

The Fall Performance Package is comprised of 83 Departmental Performance Reports and the President's annual report, *Managing for Results 2000*.

This *Departmental Performance Report*, covering the period ending March 31, 2000 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 *Report on Plans and Priorities* for 1999-00 tabled in Parliament in the spring of 1999.

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 its management systems and performance framework. 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: <http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

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Western Economic Diversification Canada



Performance Report

For the period ending March 31, 2000

Minister of Western Economic Diversification

Canada^{ca}

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Executive Summary

Like a business that progresses and adapts to the changing environment, Western Economic Diversification Canada (WD) has also had to make adjustments, both small and large, over the years.

WD was created in 1987 by the federal government to develop and diversify the economy of Western Canada, to coordinate federal economic activities in the West and to reflect western interests in national decision-making. The mandate of the department remains unchanged but how we fulfill that mandate has changed substantially.

Today, we offer services to businesses in every community in Western Canada through the Western Canada Business Service Network (WCBSN). This innovative partnership involves Community Futures Development Corporations (CFDC), Women's Enterprise Initiatives (WEI) and Canada Business Service Centres (CBSC) and has over 100 offices in mostly rural communities. Members of the WCBSN work closely together to help clients such as Anthony Lam of Anlam Corporation. Anthony talked to the local CBSC and, with their assistance, was able to take an idea for an innovative medical device to a product currently on the market. Our Client Service Officers within WD provide additional information and assistance as he pursues his goal of going global. Over the past year, the WCBSN has provided over 990,000 services to clients like Anthony.

Through our partnerships with financial institutions, the Loan/Investment Fund Program has offered business information, contacts, financing and services to more than 1600 clients that have resulted in 831 small businesses accessing \$99 million in approved loans through financial institutions across the West.

As well, we partner with many other organizations, including universities and research institutions, provincial and local governments to fund and deliver specific initiatives that facilitate sustainable economic growth in the West.

WD continues to deliver on government-wide priorities as set out in the October 1999 *Speech from the Throne*. We recognize the importance of providing services to entrepreneurs in both official languages and have established a francophone economic development agency in each western province. Youth are critical to the success of the western economy and WD continues to support programs that help them gain valuable experience. In rural areas we support CFDCs in their innovative approaches to developing local solutions to problems as they work to strengthen their communities. In urban areas we support a number of urban development agreements, which are partnerships working, again, to tailor the solutions to the needs of the local community. We are working with Aboriginal people to increase the number of Aboriginal businesses, their size and their markets.

WD advocates for and works on behalf of Western Canadians in order to ensure that western issues and priorities are taken into consideration within the federal government decision-making process. WD's involvement in the \$499 million Fisheries Adjustment Plan in British Columbia and its delivery of federal Community Adjustment Funds announced when Atomic Energy of Canada Limited outlined its plans to withdraw from Whiteshell Laboratories are only two examples of the advocacy role we play.

Key challenges for the upcoming year will be improving upon the programs and services we offer, increasing the level of both client and partner satisfaction, and increasing our emphasis on procurement, advocacy and innovation.

I. Message

A. Minister's Portfolio Message

Canada stands at the threshold of the new century as a world leader in the new economy, an economy fundamentally different from that of even ten years ago. In the past decade we have seen unprecedented changes around the world, and Canada has moved quickly to take advantage of the opportunities offered. The forces of globalization mean that we are no longer competing locally, or even regionally, but with economies around the globe. And the pace of change has accelerated at a dizzying speed. New electronic communications and information technologies have hastened our transformation into a knowledge-based economy, where skilled workers are our most significant resource and innovation is the key to success. Canada is in the vanguard of this, and our economy is strong and dynamic.

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
Enterprise Cape Breton Corporation*
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*

The Government of Canada identified the challenges and opportunities of the new economy at an early stage, and we have been following a clear plan to capture its benefits for all Canadians. A key element of this agenda is investing in research and knowledge, and strengthening Canada's capacity for innovation, in order to increase productivity and to create well-paying jobs to improve our standard of living. We are also investing heavily in human resources, developing the knowledge workers we will need for the economy to continue to thrive, and fostering an entrepreneurial business climate. And we are working to make Canada the most connected country in the world, to maintain our position as a leader in the use of the Internet.

As Minister of Industry, I am responsible for the Industry Portfolio which consists of fourteen departments and agencies that play a key role in delivering on the government's agenda. With over 40% of federal government spending on science and technology, and a wide range of complementary programs to help businesses both large and small thrive and prosper, the Industry Portfolio represents a powerful toolkit for the government as it leads Canada's transition to the new knowledge-based economy and society.

I am pleased to present this Performance Report for Western Economic Diversification Canada, which shows its contribution to the government's agenda by

setting out the commitments made in its Report on Plans and Priorities, and its success in meeting them over the 1999-2000 fiscal year.

Through Western Economic Diversification Canada (WD), the Industry Portfolio and Federal Government is making a real contribution to the economic development of western Canada. Working directly and in partnership with community economic development organizations, WD has a solid track record of helping small business start up, access capital and enter new markets. In partnership with provincial governments, WD is fostering innovation and connectedness to lay the foundations for continued growth across the West.

Working together to invest in our people and our future, we are making our country a stronger and more prosperous place for all Canadians. I am proud of the Industry Portfolio's significant contributions toward meeting these government priorities.

The Honourable John Manley

B. Secretary of State Western Economic Diversification



Ron J. Duhamel
Secretary of State
Western Economic Diversification Canada

Western Economic Diversification Canada (WD) focuses on developing and strengthening partnerships that provide services and information critical to the success of small- and medium-sized businesses and entrepreneurs, as well as representing the economic interests of Western Canada in Ottawa.

Since its inception in 1987, this small department has been a significant player in the economic development and diversification of the West with concrete results. In 1999, WD developed a strategy to refocus its activities in response to new challenges and priorities, both economic and social.

Under the strategy, called *Futures West — Beyond 2000*, WD programs, services and initiatives will focus on four key areas of activity: Federal Leadership and Coordination; Innovation/New Economy; Business Development and Entrepreneurship; and Economic Research and Analysis. While greater prominence will be given to Innovation, the delivery of business services to small- and medium-sized enterprises (SME) will continue to be a fundamental component of our mandate. In fact, our efforts to strengthen the innovative economic potential of Western Canada will apply across the board to the academic community, research institutions, private sector companies and SMEs.

As with any significant change, there will be some adjustment to existing programs to allow for the development of priority activities that will better serve Western Canada and conform to governmental priorities. I am confident that these new directions will enable WD to strengthen the Government of Canada presence and visibility in the West while continuing to provide quality services to our SME clients.

In 1999, WD continued to expand its business services network, through which we reach into every community in the West. Since 1995, we have helped over 900,000 small and micro-businesses by providing advice, counselling and assistance with business planning, access to capital and exporting.

WD is also active in promoting linguistic duality in the West by providing Western Francophone Canadians the tools needed to ensure the sustainable development of their communities. The Commissioner of Official Languages, Dr. Dyane Adam, recently lauded WD's achievements. She said the Department's approach respects the equality

between the majority and minority communities in economic development, while providing for sound community links and expanding community institutional capacities.

There are many challenges and much remains to be done. WD will continue to play a strong role, as a member of the Industry Portfolio, by fostering a climate in which small business can prosper, by encouraging the development and application of new technologies, and by helping western businesses exploit the potential of the new economy.

The Honourable Ron J. Duhamel

II. Departmental Performance

A. Societal Context

Objective:

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

Strategic Priorities:

The department's strategic priorities are:

- providing economic development programs for Western Canada that aid the region's transition to the knowledge-based economy while addressing pressure points in the traditional resource based sectors. This activity is most often accomplished in partnership with industry, provincial governments, and local governments;
- providing information and access to capital for small businesses and entrepreneurs through a western wide service delivery network involving more than 100 points of service; and,
- bringing the western point of view to bear on national issues like climate change, innovation, and productivity.

Key Co-delivery Partners:

As a member of the Industry Portfolio, WD is responsible for bringing the western viewpoint to bear on the government's microeconomic agenda. This involves, both from a policy and program delivery perspective, extensive partnering with other Portfolio members including: Industry Canada, National Research Council Canada, and the other regional agencies. In the West small business programming is built around a series of core partnerships involving: Community Futures Development Corporations, Women's Enterprise Centres, and Canada Business Service Centres. In addition, other arrangements have been developed to assist groups in special economic development activities such as Aboriginal development groups and Francophone development groups and to broaden the selection of products and services that can be accessed through the WD network, such as the Loan Fund arrangements with Chartered Banks and other lending agencies. WD also partners with provincial governments to fund and deliver the Western Economic Partnership Agreements, and with other departments and other levels of government to deliver Urban Development Agreements.

Social and Economic Factors:

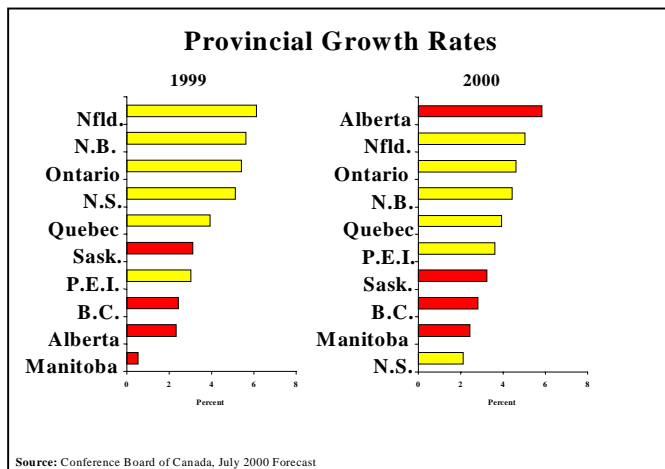


Figure 1: Provincial Growth Rates

The need for greater stability through enhanced economic development in Western Canada is significant. For the years 1999 and 2000 real economic growth is standing at over four percent per year, yet much of Western Canada is not sharing strongly in that growth. In 1999, the western provinces recorded four out of the five lowest growth performances in the country. In 2000, Alberta is forecast to lead the nation in growth, but the remaining three western provinces share the

growth rate cellar with Nova Scotia. The fact is there are many economic challenges to be met in the West.

Within Western Canada growth patterns and prosperity levels vary greatly. They vary on an industry-by-industry basis, a province-by-province basis, and on an urban-rural basis.

Today, the performance of the western Canadian economy remains highly dependent on natural resources. Economic activity in the primary sectors of oil and gas, forestry, agriculture, and minerals make up 15 percent of direct output in the West compared to three percent in the rest of Canada. In addition, many other economic sectors and jobs in Western Canada rely on the natural resource sector for their existence.

In managing economic transition, it is recognized that the sustained ability to create wealth in Western Canada will depend on the effective management of knowledge - the capacity to create it, acquire it, exploit it, and use it — both in primary industries and downstream industries. Knowledge leads to innovation - to finding new ways of doing things, new solutions to problems and new benefits. Knowledge has become as important as physical capital, financial capital and natural resources as a source of economic growth. It gives economies their competitive edge in a global marketplace. Innovation through applied knowledge is helping business in Western Canada overcome some of the challenges that have faced the region throughout history as a natural resource based economy. But much more needs to be done in defining the region's systems of innovation and implementing structures to accelerate the process.

The role of small business is another key factor that must be addressed in the western economic development and diversification challenge. Small and micro businesses account for about fifty percent of all jobs in Western Canada, which is about five percent higher than for the rest of Canada. Small business and entrepreneurship can be an effective vehicle for addressing groups and individuals who are often challenged by the rapid economic change brought about by the knowledge-based economy. Women, Francophones, Aboriginals, persons with disabilities, or youth can all find a meaningful place in society through entrepreneurship with appropriate assistance.

The issue of rural depopulation presents another dimension to the economic challenge faced by Western Canada. As rural residents of all ethnic origins leave rural areas to pursue opportunities in urban centres, new pressures are emerging. Urban economic and social infrastructure is being stressed by the influx from rural areas and other parts of the country.

A new set of economic pressure points and challenges to sustained development and growth have emerged in Western Canada. Programs and initiatives aimed at supporting small business, fostering innovation, encouraging investment in new technologies, and improving productivity will strengthen the economic base of the West. The complex economic issues introduced by the emerging “new economy” will require a heightened ability to evaluate the impact of policies and programs on Western Canada and its people. It will also require a more proactive and regionally sensitive approach when planning and implementing national and regional initiatives.

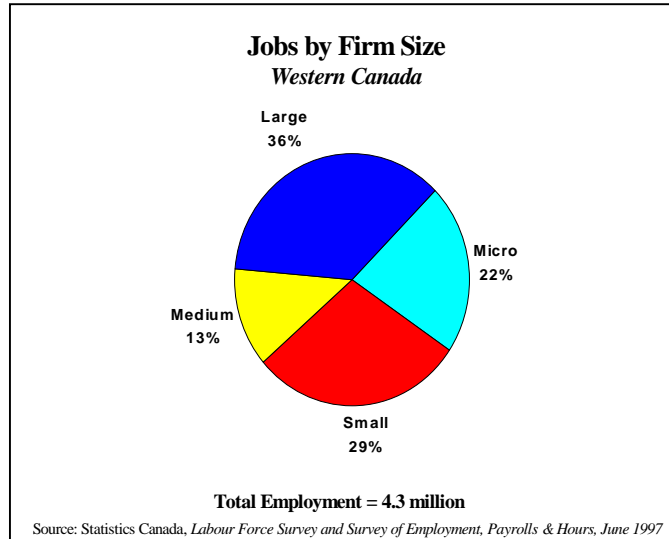


Figure 2: Jobs By Firm Size

B. Performance Results Expectations and Chart of Key Results Commitments

Figure 3: Chart of Key Results Commitments		
To provide Canadians with:	To be demonstrated by:	Achievement reported in:
Economic Development programs for western communities	<ul style="list-style-type: none"> Economic development programs in partnership with: other federal partners, provincial governments, urban municipalities, communities, and strategic client groups Economic impact of programs and partnerships 	<ul style="list-style-type: none"> See Section II C.5 and Section II D.1
Service to small business and entrepreneurs through innovative partnerships and client centred service	<ul style="list-style-type: none"> Jobs created, new business opportunities found Achievement of client service standards Client satisfaction rates Trend in numbers of small- and medium-sized exporters Degree of geographic coverage by the Western Canada Business Service network (including Canada Business Service Centres, Community Futures Development Corporations and Women’s Enterprise Centres) Degree of target group coverage (e.g. youth, Francophones, women, etc.) 	<ul style="list-style-type: none"> See Sections II C.1, II C.2, II C.3, and II C.4 and Figure 4: Client/Partner Satisfaction Surveys
Capital for small businesses and entrepreneurs	<ul style="list-style-type: none"> Small business start-ups, growth rates, and longevity Delivery efficiency Client satisfaction rates Utilization rates Degree of coverage in rural areas, key growth industries and technology 	<ul style="list-style-type: none"> See Section II C.2
Help from the federal government in times of crisis	<ul style="list-style-type: none"> Westerners’ response to flood assistance (client satisfaction) The normalization of activities in areas affected by disaster Jobs created through economic restructuring 	<ul style="list-style-type: none"> See Section II C.6 and Figure 4: Client/Partner Satisfaction Surveys
Representation of western interests in national decision-making	<ul style="list-style-type: none"> New procurement opportunities afforded to western Canadian business Reflection of western interests in Canada’s international and domestic policies (environment, etc.) 	<ul style="list-style-type: none"> See Section II D.1

C. Performance Accomplishments

Figure 4: Client/Partner Satisfaction Surveys

WD did not undertake any pan-western client/partner satisfaction surveys in 1999/2000 due to financial constraints. Two initiatives currently underway, an internal Corporate Planning and Performance Measurement system development project, and the government-wide Service Improvement Initiative, will lead to more consistent and cost effective measurements in the next fiscal year beginning April 2001.

- Surveying of clients who have attended WD sponsored seminars indicates a high level of satisfaction with the service provided. As well, unsolicited positive thank you letters from clients far outnumber any complaints received.
- The CF Network Society of Alberta worked with WD to design client satisfaction survey tools for use by Alberta CFDCs, including a general survey, a training survey, and a Self-Employment program survey. These tools were shared with the other three CF associations in the West.
- Survey results show a high level of client satisfaction with WEI services (Jim August Consultants evaluation, December 1998).
- Most small business clients are satisfied with their last contact with the CBSCs, as well as with the information they received and the assistance they received from staff (FERENCE Weicker evaluation, October 1998).
- A majority (58 percent) of WD clients were satisfied with the service they received; only 19 percent expressed any dissatisfaction with their contact experience. (Angus Reid Group survey, December 1998). 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 calls or e-mail inquiries.
- WD is performing well on nine of the most important service attributes (Angus Reid Group, December 1998).
- The results of a CFDC survey (March 1998) established the average rating of satisfaction with WD's support as 6.2 on a scale of 1 to 10, where 1 equals very dissatisfied and 10 equals very satisfied.

To respond effectively to the needs of Western Canada the Department has structured itself into four business lines and three core programs. The business lines and their objectives are:

- **Service Partnerships:** develop and implement innovative and/or alternate service delivery arrangements, which meet the needs of Western Canadian communities, SMEs and entrepreneurs.

- **Capital Services:** develop targeted Loan/Investment Fund Programs, offered in cooperation with private and public sector financial institutions, as well as 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, and sell to international and public sector markets.

The three core programs and their objectives are:

- **Strategic Initiatives and Special Projects:** develop public/private partnerships, federal, provincial and tripartite economic development initiatives to support innovation and develop the western Canadian economy.
- **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).

Following is a more detailed examination of performance accomplishments by business line and core program area, which are referenced to the specific outcomes as described in Figure 3. For some initiatives, formal evaluations have been conducted and the results are being used to modify programs to better address client needs. In other areas, evaluation frameworks are under development along with benchmarking, tracking, and reporting systems that will result in providing more detailed measures of accomplishment.

C.1 Service Partnerships

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

The objective of WD's Service Partnerships business line is to develop and implement innovative, alternative service delivery arrangements that meet the needs of western

communities and small business. WD's Service Partnerships activities focus on strengthening and expanding the Western Canada Business Service Network (WCBSN).

Figure 5: Service Partnerships

Outcomes	Measures	Results												
<p>1. Business Services: Small businesses and entrepreneurs, including target groups, have ready access to services to business.</p>	<ul style="list-style-type: none"> • Number of points of service in WCBSN, which serve rural entrepreneurs, women, Aboriginal people, entrepreneurs with disabilities, Francophones. • Total number of services provided/total number of clients serviced by WCBSN members. 	<ul style="list-style-type: none"> • Small businesses and entrepreneurs have ready access to business services through more than 100 points of service. • 992,466 client services were provided by WCBSN members (excluding web site visits), which include 90 CFDCs, 4 CBSCs, 4 WEI offices and 6 WD client service offices. 												
<p>2. Small businesses consistently receive high-quality service from Network partners.</p>	<ul style="list-style-type: none"> • Client satisfaction level. • Service standards established. 	<ul style="list-style-type: none"> • WD and the Alberta CF Association jointly developed CFDC client satisfaction survey tools. • The four provincial CF Associations work with their CFDC members to ensure that a minimum standard of service is available to clients. • All WEI offices have desired service outcomes in place. 												
<p>3. Visibility: Small businesses recognize Network partners as a leading source of services to small business.</p>	<ul style="list-style-type: none"> • Awareness survey. • Total number of promotional events held by WCBSN members. 	<ul style="list-style-type: none"> • The results of the SME awareness survey conducted by Angus Reid Group in July 1999 is as follows: <table border="1" data-bbox="1084 1402 1490 1623"> <thead> <tr> <th colspan="2" data-bbox="1084 1402 1490 1430">SME Total Awareness</th> </tr> <tr> <th data-bbox="1084 1430 1219 1486">Service Partner</th> <th data-bbox="1219 1430 1490 1486">July 1999 Results</th> </tr> </thead> <tbody> <tr> <td data-bbox="1084 1486 1219 1518">CFDCs</td> <td data-bbox="1219 1486 1490 1518">38%</td> </tr> <tr> <td data-bbox="1084 1518 1219 1549">WEI</td> <td data-bbox="1219 1518 1490 1549">32%</td> </tr> <tr> <td data-bbox="1084 1549 1219 1581">CBSCs</td> <td data-bbox="1219 1549 1490 1581">28%</td> </tr> <tr> <td data-bbox="1084 1581 1219 1612">WD</td> <td data-bbox="1219 1581 1490 1612">57%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • CFDCs and WEI held 2879 and 89 promotional events respectively in 1999/2000. 	SME Total Awareness		Service Partner	July 1999 Results	CFDCs	38%	WEI	32%	CBSCs	28%	WD	57%
SME Total Awareness														
Service Partner	July 1999 Results													
CFDCs	38%													
WEI	32%													
CBSCs	28%													
WD	57%													

<p>4. Community Economic Development (CED): Communities have access to community economic development services.</p>	<ul style="list-style-type: none"> • Total number of community economic development projects /initiatives led by WCBSN members. • Total number of volunteers/volunteer hours. 	<ul style="list-style-type: none"> • CFDCs initiated 687 long-term CED projects and held 924 short-term CED events in 1999/2000. • A total of 2,872 volunteers, including 996 board members, provided 22,453 hours of support to CFDCS in 1999/2000.
<p>5. Corporate Support of Network: Efficient and effective management of service partnerships, including coordination of Network partners.</p>	<ul style="list-style-type: none"> • Satisfaction level of Network partners. • Percentage of available funding committed/disbursed. • Program administration costs as a percentage of total program costs. • Degree to which streamlining of administrative systems improves cooperative or alternative service delivery. 	<ul style="list-style-type: none"> • A survey of CFDCs in B.C. found that satisfaction with WD had increased over the previous year. See Figure 4: Client/Partner Satisfaction Surveys • 99 percent of the operating funding targeted for Service Partners was disbursed. • Corporate program administration costs less than one percent of total program costs. • Multi-year contribution agreements have strengthened the accountability framework between WD and WEI, and WD and CF Associations.
<p>6. WCBSN shared vision.</p>	<ul style="list-style-type: none"> • Degree of support among Network partners of a common vision. 	<ul style="list-style-type: none"> • CF Associations presented a draft vision statement to membership during the year; Secretary of State distributed a subsequent discussion paper for feedback.
<p>7. WCBSN investment fund strategy.</p>	<ul style="list-style-type: none"> • Degree of redistribution of existing investment funds. • Total number of leveraging arrangement between partners and conventional lenders. • Amount of new investment funding provided to partners. 	<ul style="list-style-type: none"> • Loan pools are in place for CFDCs in Alberta and B.C. • The Worker Opportunity Fund and Columbia Basin Trust in B.C. have successfully levered conventional funding at a ratio of approximately 6:1. This year, a new leveraged fund in B.C., the Small Business/Community Enterprise Investment Fund, levered funding from the Insurance Corporation of B.C. at a ratio of 10:1. • WD provided \$2 million in new capital to CFDCs and \$292,000 in new capital to WEI in 1999/2000. WD Saskatchewan created two targeted CFDC loan funds totalling \$3 million, one in the forestry sector and the other as an economic development initiative, to serve Metis communities bordering the Primrose Lake Air Weapons Range.

C.2 Capital Services

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

WD has a variety of loan investment funds in partnership with financial institutions that bring capital to target sectors throughout Western Canada in technical and knowledge-based fields, the agricultural value-added sector, and micro businesses. Since 1995, the Loan/Investment Fund Program has offered business information, contacts, financing and services to more than 1,600 clients resulting in 831 small businesses accessing \$99 million in approved loans through financial institutions across the West.

The combined value of loans through the WCBSN and financial institution partners to small businesses and entrepreneurs in Western Canada since 1995 has exceeded over a quarter of a billion dollars.

Figure 6: Capital Services

Outcomes	Measures	Results
<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 1999-2000 outcomes of:</p> <p>a) WD Loan Funds - 475 loans, for a total of \$34 million, plus supplementary funding of \$12 million from other sources.</p> <p>b) CFDC Loan Funds - 2,440 loans for a total of \$54 million.</p> <p>c) WEI Loan Funds - 180 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. 	<ul style="list-style-type: none"> • See Figure 4: Client/Partner Satisfaction Surveys • Over 395 clients were served and 325 loans with a total value of \$19.6 million approved by WD's financial institution partners • "Other" funding accessed by WD Loan Funds clients not currently measured but estimated at up to \$10 million • CFDC loans: 1805 loans, totalling \$45,267,950, created/maintained 5359 jobs. • WEI loans: 96 loans, totalling \$2,525,211.
<p>2. Improved business planning by clients.</p>	<ul style="list-style-type: none"> • Client satisfaction. • Loan approval rates. 	<ul style="list-style-type: none"> • See Figure 4: Client/Partner Satisfaction Surveys • 37 percent of sector fund applicants loans approved plus an additional 283 micro loan approvals.
<p>3. Effective relationships with financial partners.</p>	<ul style="list-style-type: none"> • Partner satisfaction. • Take-up rates for WD, CFDC and WEI Loan Funds. 	<ul style="list-style-type: none"> • See Figure 5. Service Partnerships • Loans to date: <ul style="list-style-type: none"> • By WD's financial institution partners, 831 loans totalling in excess of \$99 million • By CFDCs, 10,133 totalling \$232.6 million • By WEIs, 581 loans totalling \$14 million

4. Effective utilization of available resources.	<ul style="list-style-type: none"> • Actual versus budget. 	<ul style="list-style-type: none"> • See Figure 12: Legacy Programs and Table 2: Comparison of Total Planned Spending to Actual Spending
5. Improved financial 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. 	<ul style="list-style-type: none"> • See Figure 4: Client/Partner Satisfaction Surveys • Best practices, consultation and feedback sessions held with all Client Services staff. • Various presentations and information sessions on financing and capital sources held by Client Services for its staff in all regions. • Business planning seminars developed and delivered to clients by both Program Development and Client Services staff.

C.3 Information Services

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

The Information Services Business line supports other WD core product areas and the WCBSN in providing relevant, timely information in an electronic format for use by small business and entrepreneurs. Information Services 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) and products and services that assist WD and partners' staff to serve clients better. WD is developing its own "Intranet," and has created an "Extranet" to improve communications with our network partners. The Client Information System has been developed to record service information on each client. Having this information available to all WD service delivery officers ensures that clients get the kind of service and response they need.

Figure 7: Information Services

Outcomes	Measures	Results
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; and, • referrals to sources of more specialized expertise. 	Trend rate of use of WCBSN and public web site information products. Small business satisfaction with: <ul style="list-style-type: none"> • accessibility of the service; • appropriateness and quality of the services used; and, 	<ul style="list-style-type: none"> • WD web site user sessions for 1999-2000 are 191,000, 56 percent greater than the previous year (122,000). • User feedback indicates good acceptance of site and satisfaction with offerings. Higher than average degree of repeat users. • High degree of satisfaction with links to other relevant sites, especially CBSCs and Strategis.

	<ul style="list-style-type: none"> introduction of a “Third Generation” WD website. 	<ul style="list-style-type: none"> Most popular page is questionnaire “Am I An Entrepreneur?” Upgrade to public web site to meet federal Government on Line (GOL) guidelines.
<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, through training, help desk support and information sharing.</p>	<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. 	<p>External Members</p> <ul style="list-style-type: none"> All CF and WEI offices have full access to WCBSN products through the extranet, including: Resource Library, Members Directory, and Help Desk. Anecdotal evidence indicates high level of satisfaction from WCBSN members. Network trainers for CFDC’s provided in summer of 1999. Focus on WD extranet, Y2K, Internet and Internet research, as well as general computer use. Feedback has been extremely positive; decision to renew program for 2000-2001. <p>Internal WD Systems</p> <ul style="list-style-type: none"> Client Information System (CIS), November 1999 upgrade of online event tracking. 31,100 Client Interactions recorded for 1999-2000. Training on Lotus Notes provided to all departmental Client Service Officers, and other WD staff.
<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 Information Technology Branch and Service Partnerships).</p>	<ul style="list-style-type: none"> Implementation and continuing development of the electronic infrastructure, including a Phase 2 Client Information System (CIS), Extranet and Intranet. 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. 	<ul style="list-style-type: none"> Fully functional Lotus Notes Infrastructure now in place, to support CIS and related systems, and enable sharing with CBCSs. Intranet Pilot project (for WD staff only) successfully completed. Intranet use increased 14 percent over prior year. Extranet use steadily increasing (11 percent over prior year), with new items being added to Resource Library on an on-going basis. Benchmarking activities undertaken to meet GOL guidelines.

C.4 Targeted Business Services

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

WD, together with its partners, provides a range of programs and services to meet the needs of western Canadian entrepreneurs and small- and medium-sized businesses. These services include information on government assistance programs; economic, industry and comparative financial information;

information on business loans; and business planning and counselling assistance, including seminars on specific topics of interest to entrepreneurs and SMEs, such as business financing and exporting. These services are provided directly by Client Service staff located in each of the seven WD offices in Western Canada, and indirectly through a partnership network of other business service organizations, such as the CFDCs and WEIs located throughout Western Canada. The chart below summarizes the activities and accomplishments of the seven service delivery offices of WD. The work of the network partners was addressed above in section “C.1 Service Partnerships”.

Figure 8: Targeted Business Services

Outcomes	Measures	Results
1. WD staff will respond to and fulfill 28,000 client inquiries and information requests, and thereafter increase the number 10 percent annually.	Trend in the number of client inquiries and requests satisfied.	<ul style="list-style-type: none"> • 25,550 business inquiries lasting less than 30 minutes.
2. WD staff will directly provide business planning services to 5,900 clients leading to 1,500 completed business plans in 2001, and thereafter increase the number of clients receiving services to complete business plans by 10 percent annually.	Trend in the number of clients: <ul style="list-style-type: none"> • using WD’s options assessment and action planning services; and, • with completed business plans. 	<ul style="list-style-type: none"> • 5,180 clients received <i>Business Planning</i> services. • 168 projects of 210 applications were approved for the First Jobs in Science Technology Program (212 jobs created). • 686 clients attended 24 financing seminars. • 2,039 clients attended 142 business-planning seminars. • 2,242 clients received one-on-one counselling services.
3. WD staff will directly provide <i>Getting Ready to Export</i> services to 2000 SME’s (WD clients) leading to 900 achieving a first sale or increased export sales to an international market by the year 2001.	Trends in the number of participating SMEs that achieve first or sustained export sales.	<ul style="list-style-type: none"> • 2,300 clients received <i>Getting Ready to Export</i> services. • 120 projects of 142 applications were approved under the ITPP (137 positions created). • 1,780 clients attended 58 export-planning seminars. • 384 clients received one-on-one export counselling.

<p>4. WD staff will directly provide <i>Selling to Government</i> services to 1000 small- and medium-sized businesses (WD clients) leading to 200 achieving a first sale or increased sales to the public sector market by the year 2001.</p>	<p>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.</p>	<ul style="list-style-type: none"> • 1,074 clients received <i>Selling to Government</i> services. • Two events relating to Major Crown Projects involving 21 clients. • 26 <i>Selling to Government</i> seminars were held and attended by 787 clients. • One-on-one selling to government counselling was provided to 266 clients.
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C.5 Strategic Initiatives

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

The objective of the Strategic Initiatives and Special Projects area is to develop new programs and initiatives to foster the economic development of Western Canada. In doing so the intent is to partner and work with other key players including other governments, academic

institutions, research institutions and industry. During the year, WD implemented a number of initiatives that were developed with industry associations and private companies, research institutions, provincial and municipal governments, other federal departments and eight different western universities.

WD's current priority focuses on science and technology related initiatives. In this area, WD is taking action on a number of different fronts to address the "innovation gap" identified by the Organisation of Economic Co-operation Development. The Westlink Initiative to enhance technology commercialization of western universities continued as did the First Jobs in Science and Technology Program, which provides skilled personnel for SMEs to help adopt new technology. Other initiatives included:

- establishing a Technology Resource Centre in Saskatchewan to test new processes and techniques in the Apparel and Textile industry;
- creating a stand-alone facility – Saskatchewan Structural Science Centre – to provide the University of Saskatchewan with an interface to the Canadian Light Source;
- setting up a Greenhouse Gas Technology Centre at the University of Regina to develop short- and medium-term mitigation technologies with a special focus on the energy sector. Also developed a website for buyers/sellers of greenhouse gas technology and did a project with the Alberta Centre for Climate Change Technology to catalyze the development and demonstration of climate friendly technologies;
- establishing a SMARTPark at the University of Manitoba to attract high-tech and research firms;
- providing bid support for 26 projects for the Canadian Foundation for Innovation program;

- providing assistance to the Universities of Alberta, Calgary and Lethbridge for specialized equipment to help the universities to form a consortium for proteomics research in Alberta; and,
- several projects with private enterprise, research centres and universities for developing technologies for ocean industries.

Figure 9: Strategic Initiatives

Outcomes	Measures	Results
1. Respond to emerging needs identified by small business and entrepreneurs.	Improved growth and profitability of western small businesses in specific target groups.	Strategies and initiatives have been developed to respond to the needs of all of the following target groups – Aboriginals, Francophones, youth, disabled, women. The number of businesses started and owned by persons from these groups is growing.
2. Good relationships with provinces, other federal departments, industry organizations, and other partners.	Partner satisfaction.	See Figure 4: Client/Partner Satisfaction Surveys
3. Maintaining a process for initiating, developing, implementing and tracking strategic initiatives and special projects, including setting broad strategic directions for the department's strategic activities.	Strategies designed and implemented and strategic directions established.	WD established a department strategy where activities will be focused under four key activities - Federal Leadership and Co-ordination, Innovation - The New Economy, Business Development and Entrepreneurship and Economic Research and Analysis.
4. Tracking and reporting on federal/provincial economic development agreements, and urban development agreements.	Number of agreements implemented, and economic achievements of agreements.	Western Economic Partnership Agreements are in place in all four western provinces involving \$160 million in federal and provincial contributions toward economic priorities in the West. Several urban development agreements have also been arranged including ones to develop the Downtown Eastside in Vancouver, co-generation agreements with the City of Saskatoon, 10 new proposals under the Winnipeg Development Agreement, six projects with Economic Development Edmonton in support of a broader community economic planning strategy and a project with Calgary to develop a co-ordinated and strategic approach supporting economic development and micro-business activities.

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

natural disasters.

Two examples of this are the work WD has done to mitigate the effect of AECL's withdrawal from Whiteshell Laboratories in Pinawa, Manitoba and to help B.C. coastal communities adjust to changes in the fisheries.

WD is responsible for delivering \$3.75 million of the \$5 million in federal Community Adjustment Funds that were announced in December 1998 when AECL outlined its plans to withdraw from Whiteshell Laboratories and decommission the facilities. WD is delivering these funds through the Winnipeg River Brokenhead Community Futures Development Corporation, based on recommendations of a steering committee of community representatives. The Whiteshell Community Adjustment Fund has now supported an industrial park expansion in Beausejour, a community/conference centre facility in Lac du Bonnet, a tourism project in Pinawa, and a regional tourism development organization. A number of other projects are under consideration.

WD continues to work in partnership with the Government of Manitoba to support the Economic Development Authority of Whiteshell (EDAW), a special economic development agency that was created to promote new economic activity in the Pinawa region. As a result of this effort, four private sector companies have been established by former AECL employees and are now tenants at the Whiteshell Laboratories facility. WD is also assisting with the privatization of AECL's Waste Technology Business Unit. The Government of Canada has recently approved \$10 million in funding support for this initiative, and WD will administer \$5 million of this amount under a project to establish an international training and demonstration facility for nuclear fuel waste management at the Underground Research Laboratory in Lac du Bonnet. The privatization will secure jobs for 80 employees currently working for AECL, and could grow to 150 to 200 positions if the company is successful.

Another example of how WD advocates for and works on behalf of Western Canadians is the \$499 million Fisheries Adjustment Plan in B.C. WD negotiated an \$18 million federal contribution for a West Coast community adjustment package, as well as a \$7 million Fisheries Loan Program to assist communities and individuals involved in the revitalization of the salmon fishery on the West Coast.

Figure 10: National Programs		
Outcomes	Measures	Results
1. Job creation and infrastructure renewal.	<ul style="list-style-type: none"> • Number of jobs created. • Total leveraged expenditures on infrastructure. 	<ul style="list-style-type: none"> • 35,500 jobs created. • Federal expenditure of \$635.5 million for infrastructure renewal.
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 that are created/maintained. • Preservation of key core community infrastructure, such as hospitals, community centres and airport facilities. • Satisfaction of stakeholders/partner organizations. 	<ul style="list-style-type: none"> • As a result of the EDAW four private sector companies have been established. • See narrative in C.6 National Programs • See Figure 4: Client/Partner Satisfaction Surveys
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"> • Administrative overhead cost as a percentage of total program cost. • Cycle time to approve projects. • Client/partner/stakeholder satisfaction. 	<ul style="list-style-type: none"> • Not available as delivered via various business lines and mechanisms. • Under assessment. • See Figure 4: Client/Partner Satisfaction Surveys
4. Full commitment/disbursement of available program funds.	<ul style="list-style-type: none"> • Total funding committed/disbursed. 	<ul style="list-style-type: none"> • See Figure 12: Total Appropriation and Expenditures for WD in 1999-2000
5. Leveraged federal funds.	<ul style="list-style-type: none"> • Total funds leveraged. 	<ul style="list-style-type: none"> • Not available at this time.

C.7 Legacy Programs

From 1987 to 1995, WD delivered the Western Diversification Program (WDP) to businesses in Western Canada. The program offered repayable contributions to firms that were developing new products, new markets, new technologies, or replacing imports. The current objective of the legacy program area is to 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.

The performance measure, as noted in Figure 11: Legacy Programs, is the value of contributions repaid including related revenue. In 1999-2000, WD collected \$29.7 million from its Legacy Programs portfolio, \$2.7 million more than anticipated. 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 in Western Canada.

Figure 11: Legacy Programs		
Outcomes	Measures	Results
1. Repayable contributions repaid in accordance with terms of contracts.	<ul style="list-style-type: none"> Collect \$27.0 million in accordance with terms of repayable contribution agreement. 	<ul style="list-style-type: none"> Collected \$29.7 million.

D. Other Performance Issues to Note

D.1 Government Wide Priorities

Strong and United Canada

WD recognizes the importance of providing services to entrepreneurs in both official languages. WD has been cited for its leadership in the implementation of Article 41, Part VII of the *Officials Languages Act*. WD’s strategy is to provide francophone entrepreneurs in communities across the West with the tools needed to undertake business and economic development on their own.

WD also supports cultural diversity in the West through specific project assistance. For example, the innovative *Go West* CD showcases musical talent from across the West. Other examples include projects involving the University of Regina Film and Video Studio, Le Centre Culturel Franco-Manitobain, and the Manitoba Theatre Centre.

WD has a mandate to represent western interests within the federal system. As such, WD consults with Westerners to determine their needs and aspirations and uses that information to advocate, on their behalf, their interests within the federal system.

Children and Youth

WD provides support to youth through three programs: the International Trade Personnel Program (ITPP), the First Jobs in Science and Technology Program and the Community Economic Development Internship Program. For more information on these programs please refer to Figure 8. Another example of WD’s support for youth initiatives is the Department’s participation as a partner in Global Vision Junior Team Canada Western Training Centres. Through the Global Vision training centres young people learn about Canada's role and activities related to international business and about careers in trade and development in the growing global economy.

Dynamic Economy

As a member of the federal government’s Industry Portfolio, WD is dedicated to delivering the national microeconomic agenda in Western Canada. This means working closely with Industry Canada and other national, provincial, and local partners to build a dynamic economy and help Western Canada make the transition to a knowledge-based economy.

At the forefront of those efforts is WD's work on innovation. The Department has succeeded in developing, with industry and university partners, a network of western universities that is dedicated to commercializing university research. WD is also working with industry to develop leading edge, knowledge-based industry capacity in new economy areas like tele-health, biotechnology, ocean industries, fuel cells, and advanced industrial materials.

Another essential part of WD's mandate is to work with small business in urban and rural areas to ensure the SME community achieves its full potential for job creation. WD's service delivery network ensures small businesses in all geographic areas have access to the information and assistance they need to start and to prosper.

When it comes to community development, WD is on the ground helping one-industry and remote towns make the transition away from primary industries. WD and the Community Futures Development Corporations work hand in hand to ensure communities can grow from within, and that local business owners can diversify from primary industries using new technologies in sectors like business services, e-commerce, tourism services and niche crop agriculture.

Health and Quality Care

WD has several loan funds that contribute to the commercialization and marketing of new health-related technologies. Examples of WD projects targeted to the health sector include *TR Labs Health Workshop*, *Innovative Magnetic Resonance Imaging Systems (IMRIS)* and the *Canadian Society of Tele-Health*. The TR Labs project promotes awareness among those working in the health sector of the capabilities of Information and Communication Technology (ICT) and demonstrates the problem-solving capabilities of ICT. IMRIS has developed an intraoperative Magnetic Resonance Imaging (MRI) system designed specifically for use in complex neurosurgeries. WD assistance has contributed to the development of a demonstration site and system optimization of the MRI at the Calgary Foothills Hospital. The Tele-Health project provides funding to the Society for core operating costs over a three-year period.

The Environment

WD is working within the Industry Portfolio to address the issues and challenges presented by climate change and to ensure that the interests of Western Canada are recognized and taken into account. WD's climate change strategy has three thrusts:

- to help Western Canada capitalize on the economic opportunities afforded by climate change;
- to contribute to projects that mitigate the effects of climate change; and,
- to ensure that the West is not unduly affected by national measures undertaken to address environmental issues.

Several collaborative initiatives with western provinces, universities, industry and other government departments have resulted in research, development and demonstration projects for greenhouse gas sequestration, fuel cell development and other climate change

related activities. WD initiatives have been coordinated with national programs, such as Technology Early Action Measures and Technology Partnerships Canada. WD is working to ensure that Western Canada capitalizes on the sustainable development and environmental measures introduced in Budget 2000.

Stronger Communities

WD plays an important role in helping to build stronger rural and urban communities in Western Canada through the Western Canada Business Service Network (WCBSN), with over one hundred service points in Western Canada. Section C.1 describes in more detail, the work of the WCBSN in the rural West.

With respect to urban development specifically, WD recognizes that Western Canadian cities contain the interdependent infrastructure – the key industries, the supporting sectors, the training organizations and the research universities – where information, technologies and labour force skills can be shared, where common inputs and suppliers can be linked and where strategic alliances can be formed. WD's urban development agreements focus both on realizing opportunities and addressing key challenges facing the largest cities in the West and, in particular, on ensuring the full participation of specific target groups in the economies of those cities, including youth, Aboriginal peoples, Francophones, women and the persons with disabilities. WD's tripartite urban development agreements are partnerships with provincial and municipal governments to coordinate common efforts to address issues unique to each of the western cities and to increase the leverage of each government's individual investments.

WD makes a contribution to building stronger communities through community economic adjustment funding. Section C.6 describes these activities in more detail.

WD provided support to communities through its role as delivery agent on behalf of the federal government of the Infrastructure Works Program, which terminated in 1999. See Section C.6 for results related to this Program.

Aboriginal Peoples

WD's Aboriginal strategy tailors the department's activities to better meet the needs of Aboriginal entrepreneurs and puts in place a number of initiatives that address gaps in business service delivery. The primary objectives of WD's Aboriginal Strategy are to increase the number of Aboriginal businesses, their size and their markets. For example, WD has partnerships with a number of Western Aboriginal Capital Corporations and Aboriginal Community Futures Development Corporations to help them deliver business counselling and advisory services to their clients and to enhance access to needed credit. WD is also working to establish Aboriginal Business Development Centres in urban areas to provide business services to Aboriginal people living in these areas. The Strategy enables Aboriginal institutions to build a stronger capacity to respond to the business development needs of Aboriginal businesses and to involve other private sector partners. WD will continue to consult widely with Aboriginal organizations and Aboriginal economic development service providers to better gauge Aboriginal business development needs and to identify new ways that WD can address those needs.

WD also plays a lead role on behalf of the federal government in the development and implementation of urban Aboriginal strategies in the cities of Western Canada. The integrated strategies are partnerships designed to address the needs of urban Aboriginal peoples, in such areas as services for children, education, employment, income support, housing, health, economic development and justice.

Canada's Place in the World

International trade promotes understanding between and among countries and, as a consequence, international trade has a positive affect on global peace and security. Canada is a world leader in trade with exports accounting for over 40 percent of its gross domestic product. WD plays a key role in support of international trade through its involvement as a partner in Team Canada Inc. WD's trade promotion activities include the provision of information, export readiness assistance, referral of clients to other Team Canada Inc. resources, and the ITPP. The ITPP has the dual purpose of helping SME's enhance their international competitiveness while at the same time providing employment opportunities for unemployed or under-employed post-secondary graduates.

D.2 Service Improvement Initiative

Recently, WD has undertaken the development of a departmental performance measurement system, slated for full implementation in the 2001-2002 fiscal year. The system will include the use of a balanced scorecard of indicators that will, among other things, identify key services and targets for improving client satisfaction, as well as encourage an improved ability to measure client satisfaction levels, in keeping with the overall objectives of the government-wide Service Improvement Initiative.

In concert with the phased implementation of the Service Improvement Initiative, WD will work toward the development of annual service improvement plans based on client priorities, develop ways to monitor implementation of these plans in relation to its own client service activities and those of WCBSN members, and eventually use the Report on Plans and Priorities and Departmental Performance Report processes to report on improvement in client satisfaction for key services. This work will be guided by the intent to achieve the Treasury Board target of a minimum ten percent improvement in Canadians' satisfaction with the delivery of key services to the public over the next five years.

D.3 Key Reviews, Audits, Evaluations

Quality Assurance Review (QAR)

The QAR initiative represents a proactive, internally-driven effort to ensure WD's grants and contributions have all the characteristics that the Office of the Auditor General describes in Chapter 27 of the December 1998 report, *Qualities of a Well-Managed Grant or Contribution Program*.

Thus far, QAR has resulted in a Best Practices Report, which presents best practices in four major issue areas; due diligence, clear attainable objectives, measurement and

reporting of performance against objectives, and finally, managing funds in a responsible manner.

Monitoring and Preparedness for Year 2000

WD's monitoring of the state of Year 2000 readiness and related contingency planning was carried out on a periodic basis since July 26, 1999. The overall assessment on whether WD has taken the actions necessary to mitigate or manage significant risks to business continuity posed by Year 2000 processing was positive.

Evaluation of the Jobs and Economic Recovery Initiative (JERI) Flood Program

JERI was designed to help restore economic activity in the Red River Valley to pre-flood levels and to prevent permanent job loss in the areas affected by the 1997 flooding. WD examined JERI from the viewpoint of program rationale, success and cost-effectiveness. While there were some limitations to the findings, JERI was found to make sense as a program and that it accomplished what was expected of it in an effective, efficient manner.

III. Consolidated Reporting

A. Sustainable Development Strategies

WD's first Sustainable Development Strategy, formulated in December 1997, outlines thirteen objectives focusing on three areas: raising awareness and providing information; supporting sustainable development through cooperative action; and, fostering a sustainable development culture at WD. A fourth concentration, enhancing federal visibility on the climate change file and delivering programs or services that contribute to the national climate change agenda, was added in 1999. The Sustainable Development Strategy for 2000-2003 is currently under development.

Rather than having a "sustainable development program," WD integrates a balanced (economic, environmental and social) decision-making process as a routine way of doing business. Activities regarding sustainable development are reported in bi-weekly meetings of the Sustainable Development Team, formed by the authority of the Deputy Minister for Western Economic Diversification in November 1999. WD's various activities, as part of normal operations, reveal many accomplishments in sustainable development, including:

- *Green House Gas Emission Reduction Technology Showcase;*
- *Sustainable Progress Indicators Pilot Study Research;* and,
- various urban development projects across the West.

IV. Financial Performance

A. Financial Performance Overview

WD is currently working on a new Planning Reporting and Accountability Structure (PRAS). Until the new PRAS is approved and in place, financial reporting for all business lines and core program areas will continue under one consolidated heading.

Treasury Board has mandated that departments implement the Financial Information Strategy (FIS). Through this initiative departments will modernize their departmental financial systems and adopt private sector Generally Accepted Accounting Principles. WD must implement FIS by April 1, 2001.

WD is committed to have FIS in place by April 1, 2001. FIS is WD's largest systems initiative to date. To implement FIS, WD is changing financial policies, modifying programming and financial systems, and developing the required training. To implement FIS in a cost-effective manner WD is using a shared systems approach and has joined a cluster group of several department/members.

The following table summarizes total appropriations and expenditures for WD in 1999-2000.

Figure 12: Total Appropriation and Expenditures for WD in 1999-2000	
Western Economic Diversification (\$ millions)	
Planned Spending	\$221.4
<i>Total Authorities</i>	<i>\$243.8</i>
Actuals	\$215.2

B. Financial Summary Tables

The following financial tables depict the resources available to the Department in 1999-2000 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 4 - Non-Respendable Revenues

Table 5 - Statutory Payments

Table 6 - Transfer Payments

Table 7 - Contingent Liabilities

As shown in Table 1, planned spending for 1999-2000 at the beginning of the year was \$221.4 million. Of the \$243.8 million total Authorities provided, the Department spent \$215.2 million. However, if revenues of \$58.0 million generated by the Department in 1999-2000 and services provided by other departments of \$3.4 million are factored in, the net cost is \$160.6 million (see Table 2). Spending was less than expected primarily due to delays in construction projects under the Canada Infrastructure Works Program (\$8.0 million); and delays in implementing the Western Economic Partnership Agreements and the deferral of other contributions totalling (\$18.6 million); Operating resource spending was less than anticipated due primarily to the carry-forward of operating resources (\$1.6 million) to fiscal year 2000-2001.

Table 1 - Summary of Voted Appropriations

Financial Requirements by Authority (\$ millions)			
Vote	Planned Spending	1999-2000	
		Total Authorities	Actual
Western Economic Diversification			
115 Operating Expenditures	31.8	41.1	39.1
120 Grants and Contributions	164.8	172.0	145.4
(S) Liabilities under the Small Business Loans Act	21.0	26.3	26.3
(S) Liabilities under the Canada Small Business Financing Act *	--	0.0	0.0
(S) Contributions to Employee Benefit Plans	3.8	4.4	4.4
Total Department	221.4	243.8	215.2

* An amount of \$30,670 was planned, authorized and spent under this program.

Table 2 - Comparison of Total Planned Spending to Actual Spending

Departmental Planned versus Actual Spending (\$ millions)			
Business Line	Planned	1999-2000	
		Total Authorities	Actual
FTEs	324	344	344
Operating	35.6	45.5	43.5
Capital	--	--	--
Grants and Contributions	185.8	198.3	171.7
Total Gross Expenditures	221.4	243.8	215.2
Less:	--	--	--
Respendable Revenues			
Total Net Expenditures	221.4	243.8	215.2
Other Revenues and Expenditures			
Non-respendable Revenues	(54.5)	(54.5)	(58.0)
Cost of services provided by other departments	<u>3.2</u>	<u>3.2</u>	<u>3.4</u>
Net Cost of the Program	170.1	192.5	160.6

Table 3 - Historical Comparison of Total Planned Spending to Actual Spending

Historical Comparison of Departmental Planned versus Actual Spending (\$ millions)					
<i>Business Line</i>	Actual 1997-98	Actual 1998-99	1999-2000		
			Planned Spending	Total Authorities	Actual
Western Economic Diversification	334.7	267.3	221.4	243.8	215.2
Total	334.7	267.3	221.4	243.8	215.2

Table 4 - Non-Respendable Revenues

Non-Respendable Revenues (\$ millions)					
<i>Business Lines</i>	Actual 1997-98	Actual 1998-99	1999-2000		
			Planned Revenue	Total Authorities	Actual*
Western Economic Diversification	69.4	69.8	54.5	54.5	58.0
Total Non-Respendable Revenues	69.4	69.8	54.5	54.5	58.0

* The \$58.0 million Non-Respendable Revenues include the following major components: \$29.7 million in collections on repayable contributions including interest; \$21.5 million in service fees for the Small Business Loans Act and for the Canada Small Business Financing Act and \$4.0 million in refunds of contributions.

Table 5 - Statutory Payments

Statutory Payments (\$ millions)					
<i>Business Lines</i>	Actual 1997-98	Actual 1998-99	1999-2000		
			Planned Spending	Total Authorities	Actual
Liabilities under the Small Business Loans Act	24.8	24.4	21.0	26.3	26.3
Liabilities under the Canada Small Business Financing Act *	--	--	--	0.0	0.0
Contributions to employee benefit plans	3.4	4.5	3.8	4.4	4.4
Total Statutory Payments	28.2	28.9	24.8	30.7	30.7

* An amount of \$30,670 was planned, authorized and spent under this program.

Table 6 - Transfer Payments

Transfer Payments (\$ millions)					
<i>Business Line</i>	1999-2000				
Western Economic Diversification	Actual 1997-98	Actual 1998-99	Planned Spending	Total Authorities	Actual
GRANTS					
Grants	17.5	0.0	5.0	5.0	0.0
Total Grants	17.5	0.0	5.0	5.0	0.0
CONTRIBUTIONS					
Western Diversification Program	150.7	110.7	133.6	111.6	101.7
Canada Infrastructure Works Program	99.2	89.0	21.2	26.4	18.3
Loan Fund Program	5.0	5.2	5.0	5.0	1.3
Red River Flood Protection Program	--	--	--	24.0	24.0
(S) Liabilities under the Small Business Loans Act	24.8	24.4	21.0	26.3	26.3
(S) Liabilities under the Canada Small Business Financing Act *	--	--	--	0.0	0.0
Total Contributions	279.7	229.3	180.8	193.3	171.7
Total Transfer Payments	297.2	229.3	185.8	198.3	171.7

* An amount of \$30,670 was planned, authorized and spent under this program.

Note: Due to rounding, figures may not add to totals shown.

Table 7 - Contingent Liabilities

Contingent Liabilities (\$ millions)			
List of Contingent Liabilities	Amount of Contingent Liabilities		
	March 31, 1998	March 31, 1999	Current as of March 31, 2000
Claims, Pending and Threatened Litigation	2.0	1.0	1.0
Total			1.0

V. Departmental Overview

A. Mandate, Vision and Mission

WD's mandate as defined in the *Western Economic Diversification Act* of 1988 is to:

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

WD's vision is to be a leader in delivering integrated government service to SME's in Western Canada.

WD's mission is described as a network of partnerships providing access to integrated services critical to small businesses 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.

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. 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 its 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, which are described in more detail in Section C – Performance Accomplishments.

VI. Other Information

A. Contact List

Western Economic Diversification Canada

General Inquiries

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Toll free telephone service
(in Western Canada only)
1-888-338-WEST (9378)

WD Web site

www.wd.gc.ca (English)
www.deo.gc.ca (French)

Capital Services

Mr. Orville Buffie
Assistant Deputy Minister
The Cargill Building
Suite 712, 240 Graham Avenue
P.O. Box 777
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Telephone: (204) 983-5715
Fax: (204) 983-4694

Targeted Business Services

Ms. Donna Mitchell
Assistant Deputy Minister
Price Waterhouse Building
700-601 West Hastings Street
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Telephone (604) 666-6366
Fax: (604) 666-2353

Information Services

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Service Partnerships

Mr. Gary Webster
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Ottawa Office

Ms. Judy Ferguson
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Telephone: (613) 952-7096
Fax: (613) (952-9384)

B. Legislation Administered and Associated Regulations

The Western Economic Diversification Act, 1988.