



Western Economic Diversification Canada Diversification de l'économie de l'Ouest Canada



WORKING WITH THE WEST

Western Economic Diversification Canada
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A STRONGER WEST A STRONGER CANADA

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WORKING WITH THE WEST 2009 AND BEYOND



The Honourable
Lynne Yelich
Minister of State for
Western Economic
Diversification

ENHANCING THE WEST'S ECONOMIC STRENGTH

Western Economic Diversification Canada (WD) is proud to be working with the West to help our region weather current global economic uncertainty. By enhancing the West's existing strengths and creating new areas of economic opportunities, we are securing Western Canada's prosperity today and for the future.

Small businesses, the source of nearly half of all jobs in the region, have always made a vital contribution to the western economy. To increase competitiveness and success in the small business sector, WD supports initiatives that are strengthening skills, increasing access to capital, and expanding participation in key export markets.

Today, more than ever, science and technology are the keys that will open doors to new opportunities for western Canadians. By enhancing research and development, growing new technologies and bringing them to market, WD is supporting Western Canada's growing leadership in fields such as life sciences, aerospace, forestry innovation, and information and communication technologies.

WD also works to increase the vitality of local economies in western communities of all sizes. By helping develop new industries that add value in traditional sectors, improving local infrastructure and identifying new sources of economic growth, we are capitalizing on local opportunities to stimulate economic growth and employment.

By supporting the strength, determination, and ingenuity of western Canadians, WD will help the West emerge from this period of global economic instability even stronger than before. I invite you to read on to learn more about how WD is working to secure a successful economic future for Western Canada.

BUILDING A STRONG ECONOMIC FUTURE FOR THE WEST

FOR MORE THAN 20 YEARS, WESTERN ECONOMIC DIVERSIFICATION CANADA (WD) HAS BEEN WORKING TO ENHANCE THE WEST'S ECONOMIC STRENGTH, AND KEEP THE REGION STRONG LONG INTO THE FUTURE.

A department of the Government of Canada, WD's mandate is to promote the development and diversification of the economy of Western Canada and to advance the interests of Western Canada in national economic policy, program and project development and implementation.

WD's vision is to be a leader in creating a more diversified western Canadian economy that has strong, competitive and innovative businesses and communities. To bring that vision to life, WD brings people, communities, ideas and resources together to implement initiatives that leverage both funds and expertise to benefit Western Canada and its people.

By working closely with key economic stakeholders – all orders of government; academic and research institutes; industry associations; and not-for-profit organizations – the department plays a pivotal role in a collaborative effort that is building a stronger economic future for Western Canada.

With offices located in each of the four western provinces, WD understands the diversity that characterizes the West. By focusing on economic opportunities, WD addresses the unique challenges within each region, helping to build a solid foundation upon which all of Western Canada can grow and prosper.

WD is proud to be working with the West to create:

- A competitive and expanded business sector and a strengthened innovation system,
- Economically viable communities with a high quality of life, and
- Policies and programs that support economic development.

In building a stronger West, WD is building a stronger Canada.

In 2007–2008, WD invested \$195.9 million in 197 projects that are building a more diversified western Canadian economy that has strong, competitive and innovative businesses and communities. The Department's investment leveraged an additional \$299.2 million from other partners.



ENTREPRENEURSHIP & INNOVATION

WESTERN CANADA'S WEALTH OF NATURAL RESOURCES HAS LONG PROVIDED THE FOUNDATION FOR THE REGION'S ECONOMIC SUCCESS. HOWEVER, LONG TERM COMPETITIVENESS WILL GROW OUT OF THE WEST'S OTHER GREAT STRENGTHS – THE ENTREPRENEURIAL SPIRIT AND INNOVATIVE STRENGTH OF WESTERN CANADIANS.

Small business is a vital source of economic growth in the West, accounting for nearly half of all existing jobs and creating an average of 37,100 new jobs each year.

To enhance the growth of Western Canada's small businesses and improve their capacity to remain competitive in the face of rising global competition, WD invested \$18.6 million in 46 projects last year.

These projects, undertaken with a wide range of partners, enhanced business productivity and competitiveness; increased international trade and investment; supported greater industry collaboration; and improved access to capital for the West's small- and medium-sized businesses.

To create a more innovative and diversified western Canadian economy, WD also works to increase research and development, and strengthen both traditional and emerging industries.

Last year, WD invested \$127.5 million in 86 projects designed to strengthen infrastructure at our universities and research centres; increase the take-up of new technologies; develop technology skills; support research and development; and increase innovation.

WD's activities in the area of Entrepreneurship & Innovation are creating a competitive and expanded business sector in Western Canada and a strengthened western Canadian innovation system.

BUSINESS DEVELOPMENT AND ENTREPRENEURSHIP

EXPANDING ACCESS TO SERVICES FOR ENTREPRENEURS AND SMALL BUSINESSES

Videoconferencing network
[Across the West](#)

WD invested nearly \$1.1 million to improve access to business training and services in Western Canada's rural and northern communities.

The Western Canada Business Service Network (WCBSN) brings several independent non-profit organizations together to provide entrepreneurs with the products and services they need to establish a business or make it grow.

With funding from WD, the WCBSN members—Canada Business, Community Futures, Women's Enterprise Initiative offices and Francophone Economic Development Organizations—provide more than 100 points of service where small business owners can access the information and resources they need to succeed.

Since 2004, the WCBSN has been strengthening its ability to deliver business services in rural communities by building videoconferencing networks in each of the four western provinces. The networks allow users to participate in seminars, obtain advice and receive business information through real-time, interactive videoconferences hosted by their local office.

The networks now reach 83 WCBSN offices, and have grown to include other organizations as well, bringing the total number of sites to more than 150 across the West. The expanding network is believed to be the largest such network in North America.

INCREASING INTERNATIONAL TRADE

Alberta International Business Partnering Program
International Science and Technology Partnerships China-Alberta Program
[Alberta](#)

Two programs that received \$900,000 from WD are helping high technology companies commercialize and export products to international markets.

The Alberta International Business Partnering Program (AIBPP), a joint initiative with the Province of Alberta, provides businesses in the information and communications technologies (ICT) and life sciences sectors a cost-effective and efficient means of building international partnerships to enhance their success.

The program uses seminars, symposiums and trade missions to help companies develop market knowledge and business opportunities in target markets in China, California and India. Some businesses will then have an opportunity to temporarily locate in a technology incubator in Hong Kong or California as they introduce their products to the marketplace.

A second program, the International Science and Technology Partnerships China-Alberta Program (ISTP), will provide cost-shared funding for the Alberta component of collaborative research and development projects undertaken with partners in China.

By building international research and development partnerships, the program will facilitate technology collaboration and commercialization, helping Alberta's researchers and businesses benefit from the Science and Technology Cooperation Agreement signed between Canada and China in 2007.



ENTREPRENEURSHIP & INNOVATION

CONNECTING COMPANIES TO INTERNATIONAL MARKETS

Saskatchewan Trade and Export Partnership
[Saskatchewan](#)

WD provided support for the Saskatchewan Trade and Export Partnership's (STEP) innovative Incoming Buyers Program program that helped western companies increase their participation in international markets.

The program, which concluded in 2007, was created by STEP—a public-private partnership led by industry and established by the Government of Saskatchewan—to make it easier and more affordable for smaller western Canadian companies to export their products and services to other countries.

INCREASING ACCESS TO VENTURE CAPITAL

iNovia Capital Inc.
[Alberta](#)

With a \$5 million contribution from WD's Loan and Investment Program, iNovia Capital Inc. will invest a minimum of \$25 million in promising western high-technology companies.

As one of the few major seed and early stage private venture capital funds operating in Alberta, iNovia Capital Inc. plays an important role in helping western entrepreneurs and small businesses access the capital they need to successfully introduce their innovative ideas to the marketplace.

“With this investment, Western Economic Diversification Canada is directly supporting Western Canada’s emerging entrepreneurs and is helping ensure that our brightest minds are put to work building our future economy”

Shawn Abbott,
Partner, iNovia Capital

The program attracted qualified international buyers to Western Canada by providing partial reimbursement of travel and language interpretation costs, allowing western companies to conduct business with foreign distributors, importers and agents without having to leave the country. In return, foreign buyers received exposure to industries with high export potential.

More than 200 companies participated in export and market development initiatives through the Western Canada Incoming Buyers Program, which attracted 186 incoming buyers from 22 different countries. Participating western Canadian firms reported new exports of \$27.6 million and repeat exports of \$217.8 million.

The company recently raised \$107 million for a venture capital fund that will be used to help entrepreneurs and innovators build successful companies in the information technology, life sciences and cleantech sectors. The new fund will invest at least \$25 million in western Canadian innovations.

To maximize their effectiveness, iNovia has entered into a series of strategic relationships with some of Alberta's key technology commercialization partners, including TEC Edmonton, Calgary Technologies Inc. and the Alberta Research Council. These relationships will enable the fund to identify technologies with a high potential for successful commercialization, while contributing to a more diversified and innovative western economy.



MAXIMIZING OLYMPIC OPPORTUNITIES FOR BUSINESSES 2010 Winter Olympic and Paralympic Games British Columbia

To date, WD has invested almost \$3.6 million in projects to help western businesses capitalize on opportunities related to the 2010 Winter Olympic and Paralympic Games.

The 2010 Winter Olympic and Paralympic Games, being hosted in Vancouver and Whistler, represent a golden economic opportunity for Western Canada. Not only will the Games require nearly \$2 billion worth of goods and services, the event will place the region firmly in the global spotlight. More than 50,000 athletes, officials, media representatives and spectators – and a television audience of three billion – will create a once-in-a-lifetime opportunity to attract international attention.

To help western Canadian businesses maximize that opportunity, WD has partnered with the Government of British Columbia and other organizations to support a wide range of business development projects.

A number of these initiatives were intended to educate firms about the range of procurement opportunities related to the Olympics. These include the creation of an Olympic Opportunities website and the development of 2010 Procurement training materials and a Train-the-Trainer program for workshops that were held across the West.

Other initiatives have focused on leveraging Canada's participation in the Olympic Games leading up to 2010. At the 2006 Torino Winter Olympics, B.C./Canada House showcased Canadian businesses and tourism, and the 2008 Beijing Olympics were used as an opportunity to promote the Greater Vancouver region as a destination for investment.



ADDING VALUE TO KEEP THE FORESTRY SECTOR COMPETITIVE FPInnovations Across the West

Last year, through the Western Economic Partnership Agreements, WD invested \$1.05 million in three projects to help the forestry sector adjust to changing global conditions.

The Forintek division of FPInnovations, a not-for-profit organization that works to increase global competitiveness in the forest sector, is strengthening the western Canadian forestry industry through initiatives that are helping companies diversify their products, add value and expand markets.

In B.C., the Woodmark Quality Certification Program is working to trademark and promote British Columbia's value-added wood products abroad. Manufacturers of products such as kitchen cabinets and furniture earn Woodmark certification by applying best practices that reduce their costs while establishing a standard of Canadian excellence in the world.

In Manitoba, Forintek's Value-added and Wood Technology Program was extended for two more years. The program's industry advisors are working with the province's more than 325 value-added wood products businesses to diversify, increase competitiveness, and extend market reach.

A similar initiative is underway in Saskatchewan. For the next three years, Forintek employees will work with mills and value-added manufacturing firms to increase innovation, develop markets, and diversify products, creating a more competitive manufacturing industry. Alberta is just completing a similar multi-year partnership with Forintek.



ENTREPRENEURSHIP & INNOVATION

INNOVATION

IMPROVING HUMAN HEALTH AND THE ENVIRONMENT

University of Saskatchewan
Toxicology Centre
[Saskatchewan](#)

WD invested \$2.24 million to expand research into the effects of natural and man-made substances on people and their environment.

Specialized testing equipment and additional research staff at the University of Saskatchewan's Toxicology Centre will make the facility the largest university-based toxicology research centre in Canada. Research conducted at the Centre has a wide range of applications, including water quality, environmental pollution, and oilsands development.

The funding provided by WD will allow the Centre to fast track an innovative test, developed with the help of Dr. John Giesy, Canada Research Chair in Environmental Toxicology. By determining the effects of chemicals on human enzyme and hormone production, the test could lead to the development of better and safer consumer products, such as plastics.

The test is expected to receive validation from the Organization for Economic Co-operation and Development (OECD) within two years, which would make the test the primary tool sanctioned for use by member countries to screen for chemicals that can disrupt the endocrine activity that help regulate metabolism, growth and development.



“New tools and talent at the U of S Toxicology Centre will help protect the environment by shedding light on how to sustain human activities without adverse effects ... Research done here literally touches the lives of every person and animal in the world.”

Dr. Steven Franklin,
former Vice-President Research,
University of Saskatchewan

SUPPORTING INTELLIGENT SYSTEMS RESEARCH AND DEVELOPMENT

Precarn Incorporated
Alberta

WD provided \$1.2 million, matched by the Government of Alberta, for a new initiative that will increase collaboration to help commercialize intelligent systems technologies.

Precarn Incorporated—a not-for-profit company representing a national network of corporations, universities, colleges, research institutes and government partners—works with Canadian companies engaged in the research and development (R&D) of enabling technologies.

In 2008, Precarn introduced a new initiative that is supporting a diverse range of projects in intelligent information and communications systems. Intelligent systems—which use sensors, software and computers to reduce costs and perform tasks faster, safer or better—have applications in all sectors of the economy.

Six proposals were selected for funding, including projects that will develop technologies to conduct virtual biopsies on brain tumours, test new drugs faster and more accurately, reduce construction costs and improve testing of wireless devices.

Precarn's model accelerates development, reduces risk, and shares the cost of R&D by including a developer, a customer, and an academic research partner in every project. The goal is to enhance productivity and global competitiveness by working in collaborative teams to develop advanced technological solutions that meet industry needs.

“We are very pleased to have the participation of the Alberta Government and Western Economic Diversification Canada to further the research, development and application of advanced technologies as a means to build a solid economic foundation for Alberta and Canada.”

Anthony Eyton,
President and CEO,
Precarn Incorporated





ENTREPRENEURSHIP & INNOVATION

EXPANDING MANITOBA'S LIFE SCIENCES CLUSTER

Biomedical Commercialization Canada
Manitoba

WD invested nearly \$1.2 million to help commercialize more innovations in diagnostics, medical devices, pharmaceuticals and the treatment of diseases.

Manitoba's life sciences sector is one of the fastest growing in Canada. With about 100 health-related companies and research institutions employing 4,200 people, the cluster generates annual sales of more than \$400 million.

To help even more innovators and entrepreneurs commercialize new technologies, Biomedical Commercialization Canada (BCC) provides start-up ventures with the business infrastructure and skills they need to make a successful transition from the laboratory to the marketplace.

The not-for-profit business accelerator offers tailored programs that help companies move through the critical stages of growth from investigation to market introduction. The shared business environment provided by BCC helps reduce costs for client companies while building their internal technical, marketing and business capabilities to provide a foundation for long-term success.

With organizations specializing in cardiovascular and respiratory diseases, infectious diseases, diagnostics, medical devices and pharmaceuticals, Manitoba's life sciences sector represents an enormous economic opportunity for the province and the promise of innovations that will improve the health of people around the globe. More than a third of Manitoba's life sciences companies are start-up ventures.

INCREASING PRODUCTION AND ENVIRONMENTAL SUSTAINABILITY IN THE PETROLEUM INDUSTRY

Petroleum Technology Research Centre
Saskatchewan

The Petroleum Technology Research Centre, Canada's leading petroleum research and development organization, has received more than \$4.3 million in funding from WD to date.

Established in 1998, the Petroleum Technology Research Centre (PTRC) has become an international leader in developing innovative new technologies for the oil and gas industry.

For example, the Centre's Joint Implementation of Vapour Extraction (JIVE) project is developing and evaluating solvent vapour extraction technologies that emit significantly fewer greenhouse gases while allowing more oil to be recovered. The process, which involves injecting a gaseous hydrocarbon solvent into the reservoir to thin the heavy oil so it can be pumped to the surface, uses no water or heat. Compared to steam extraction methods currently in use, the technology could prevent 85 million tonnes of carbon dioxide from entering the atmosphere. The process could also increase recovery rates by 30 to 50 per cent, or five to ten billion barrels of oil in Western Canada alone.

PTRC also manages the world's largest carbon dioxide storage project, the International Energy Agency Greenhouse Gas Weyburn-Midale CO₂ Monitoring and Storage project. Currently in its final stage, the project is creating a framework that will encourage geological storage of greenhouse gases around the world.



STRENGTHENING TRADITIONAL INDUSTRIES THROUGH RESEARCH

Vancouver Island University
Shellfish Genomics Laboratory
British Columbia

WD contributed \$400,000 to expand research capacity at the Centre for Shellfish Research, which supports B.C.'s shellfish aquaculture industry.

A new Shellfish Genomics Laboratory, established at the Centre for Shellfish Research on Vancouver Island University's Nanaimo campus, will help protect B.C.'s shellfish resources and allow sustainable development of the province's aquaculture industry.

Shellfish represent an important and rapidly growing segment of British Columbia's \$1.3 billion seafood industry. Shellfish—such as clams, oysters, mussels and scallops—contributed \$198 million to the provincial economy in 2007, more than \$37 million of which was produced by shellfish farmers.

That same year, however, an additional \$6 million in cultured product was lost, something the new laboratory hopes to reduce by learning how different kinds of shellfish respond to factors such as water temperature, salinity, oxygen levels and diet.

The new facility will study biological and environmental stress factors inherent in shellfish, and develop research tools to diagnose stress factors related to transportation, pollution and environment in hatchery-reared larvae and adult shellfish. The project, the first of its kind in B.C., will contribute to the economic sustainability of coastal communities by keeping Canada at the leading-edge of shellfish aquaculture.





COMMUNITY ECONOMIC DEVELOPMENT

THE CHALLENGES AND OPPORTUNITIES IN WESTERN CANADA'S COMMUNITIES ARE AS DIVERSE AS THE COMMUNITIES THEMSELVES. COMMUNITY ECONOMIC DEVELOPMENT USES KNOWLEDGE AND RESOURCES RESIDENT IN THE COMMUNITY TO IDENTIFY AND CAPITALIZE ON LOCAL OPPORTUNITIES TO STIMULATE ECONOMIC GROWTH AND EMPLOYMENT.

WD contributes to community economic development through initiatives that are ensuring Western Canada's urban and rural communities are strong, viable and capable of responding to challenges that hinder competitiveness, opportunities and quality of life. This can include developing entirely new businesses or industries, adding value to existing sectors, strengthening capacity and improving local infrastructure to help communities achieve their full economic potential.

It also includes facilitating economic recovery for communities faced with challenging economic circumstances, such as those caused by the mountain pine beetle infestation in B.C.'s forestry-dependent communities.

A significant proportion of WD's community economic development activity relates to the department's role as the delivery agent for Infrastructure Canada programs in Western Canada. Working with the western provincial governments and municipalities, WD is renewing and building public infrastructure to enhance the quality of the environment and allows for long-term economic growth.

In addition to funding for municipal infrastructure, last year WD contributed \$48.6 million to 58 projects that are strengthening community development and community planning, and helping communities adjust to changes in the economy.

WD's Community Economic Development activities are creating economically viable communities in Western Canada with a high quality of life.

COMMUNITY ECONOMIC PLANNING AND ADJUSTMENT

STRENGTHENING ALBERTA'S LABOUR FORCE – WOMEN BUILDING FUTURES ALBERTA

WD has invested almost \$2.5 million to expand training capacity at Women Building Futures.

In May 2008, Women Building Futures, a non-profit organization that helps women build better lives and achieve financial independence, opened a new 45,000 square-foot training centre that will enable them to increase the number of students accepted each year from 60 to as many as 400.

The training program, Journeywomen Start, provides pre-apprenticeship training for women interested in pursuing careers in trades such as welding, pipefitting, plumbing, and carpentry. More than 350 women have graduated to date, many of whom are Aboriginal.

With a student success rate of more than 90 per cent, Women Building Futures has earned a reputation for supplying quality, apprenticeship-ready tradespeople for Alberta's construction industry.

“Women are a significant untapped resource for Alberta's construction industry. Our programs will provide women with the training, employment and mentorship they need to build better lives and achieve economic independence.”

Tamara Hauglum,
Chair of the Women Building Futures Board of Directors



Students demonstrating new skills in the pre-apprenticeship training programs at the Women Building Futures (WBF) Training Centre in Edmonton, Alberta.





COMMUNITY ECONOMIC DEVELOPMENT



Local workers expand the runway at Kamloops Airport.
First aircraft safely arrives at the expanded Kamloops Airport.
Photo courtesy of Kamloops Airport



EXPANDING TOURISM AND BUSINESS OPPORTUNITIES

Airport Improvements Initiative
British Columbia

WD invested more than \$17 million in three BC airports to help communities respond to the mountain pine beetle infestation.

The Airport Improvements Initiative, part of the federal Mountain Pine Beetle Program, included three projects designed to expand economic opportunities in forestry-dependent communities by improving the airports in Prince George, Kelowna and Kamloops.

An extended runway in Prince George is allowing the airport to benefit from its strategic location on the Great Circle Route between major Asian and US destinations. The Prince George Airport Authority expects the longer runway to attract 50 international tourism charter flights, 500 international cargo flights and 1,600 fuel stops per year.

At the Kelowna International Airport, the runway has been lengthened to enhance the airport's capacity to attract long haul jet aircraft, bringing an estimated 36 additional international tourism charter flights from Europe each year.

In Kamloops, the airport project includes renovation and expansion of the air terminal building, upgrades to the navigational aids system and an extension of the main runway. The improvements will help Kamloops attract long-haul flights, increasing passenger traffic by 20,000 to 30,000 visitors each year.

These projects will not only stimulate economic growth in the three cities, but also in numerous smaller communities across the regions served by the airports. By expanding tourism opportunities and helping businesses access global markets, it is estimated the projects will result in a total increase in GDP of \$41.6 million.

PROMOTING THE RED RIVER AS A TOURISM DESTINATION

Rivers West

Manitoba

Since 2006, WD and the Province of Manitoba have committed \$500,000 to strengthen tourism along the Red River Corridor and conserve its historic resources for future generations.

Manitoba's Red River has always played a pivotal role in the life of the province. From the region's earliest days, First Nations people used the river for transportation and trade. In later years, key historical events such as the Red River Resistance, the birth of the North West Mounted Police and Treaty No. 1, which opened the West to homesteaders, occurred along the Corridor. Today, that rich history forms the foundation for a growing tourism industry along the river from Emerson to Lake Winnipeg.

The Rivers West – Red River Corridor Association, which works with communities along the corridor to develop and coordinate programs and other activities promoting tourism and conservation, is the driving force behind the region's renewal.

With support from the federal and provincial governments, Rivers West will concentrate on managing and developing the river's cultural and historical resources; enhancing trail development and restoring river access points; and developing marketing products and packages for local, national and international visitors. The organization has also created a website, Routes on the Red, to promote tourism opportunities through self-directed tours and travel packages.

Rivers West was central to the designation of the Red River as a Canadian Heritage River in 2007, a distinction that will enhance efforts to establish the Red River Corridor as a tourist destination, creating new economic opportunity for residents of the numerous communities located along the river.

Tourists spend about \$1.1 billion in Manitoba each year, supporting 5,100 businesses that employ more than 13,000 Manitobans.



A family enjoys a walk along the Sentier Cloutier trail.



COMMUNITY ECONOMIC DEVELOPMENT

PROMOTING THE PRAIRIES' TOURISM GEMS

Assiniboine Corridor
Development Inc. (ACDI)
Saskatchewan

In 2008, the Assiniboine Corridor Development Inc. (ACDI) received a total investment \$105,000 from the WD and the Government of Saskatchewan to raise awareness for the region as a tourism destination.



The investment will help ACDI develop an identifiable brand for the region, as well as a marketing strategy and marketing materials to promote the region.

The corridor follows the scenic Assiniboine River and its tributaries from Vergin, Saskatchewan to St. Lazare, Manitoba – an area which includes 31 municipalities and First Nation communities.

By establishing the corridor as a year-round destination for recreational, tourism, economic and conservation activities, this initiative will translate into increased economic benefits, economic growth and stronger communities across the region.

Like its counterpart, the Red River Corridor in Manitoba, the ACDI emphasizes the added economic value that results from the development of destinations along the Assiniboine River that encourage visitors to stay for extended periods.



INFRASTRUCTURE

BUILDING STRONGER COMMUNITIES

Building Canada, Municipal
Rural Infrastructure Fund
[Across the West](#)

Infrastructure Canada programs, administered by WD in Western Canada, have committed \$822 million for 2,215 projects in the West since 2000.

Modern infrastructure – such as water management, sanitation, transportation and communication – plays a central role in supporting and enhancing competitiveness in Canadian communities of all sizes.

In order to attract private sector investment and a skilled workforce, Canada's large cities must compete with major international centres by providing infrastructure that will support the high standard of living their citizens expect. To continue to grow and thrive, smaller communities face the unique challenges of building and maintaining a full range of municipal infrastructure, despite their smaller populations.

The new Building Canada Fund will help provinces and communities of all sizes respond to these challenges by modernizing the infrastructure that contributes to a stronger economy, a cleaner environment, and more prosperous communities. The seven-year plan will focus on investments that promote strong, sustainable, competitive, and livable Canadian communities through critical infrastructure.

The Government of Canada will invest more than \$2.5 billion in Western Canada through Building Canada fund, including nearly \$1.9 million for major infrastructure projects that have a national or regional impact. The Communities Component of Building Canada will see the federal and provincial governments each contribute \$359.5 million for smaller-scale projects in communities with less than 100,000 residents. With municipal contributions, almost \$1.1 billion will be invested in essential improvements to local infrastructure.



The Communities Component of Building Canada, like previous infrastructure programs, will be delivered by WD in the four western provinces. The majority of projects approved for funding under the predecessor to Building Canada, the Municipal Rural Infrastructure Fund (MRIF) are now underway. Under that program, \$276 million is being invested in 593 infrastructure projects across the West. With provincial and municipal contributions, MRIF will invest a total of \$829 million in locally-identified infrastructure priorities such as water, wastewater, culture, and recreation.

The original Infrastructure Canada Plan (ICP), which concluded in 2005, provided \$546 million in federal funding for 1,622 projects across the West. As a result of that program there are safer roads and new or improved public transportation in 288 western communities, more than 587,000 households have improved drinking water; nearly 199,000 households have improved wastewater treatment; and composting and recycling of solid waste has increased by 4.1 million tonnes a year.



POLICY, ADVOCACY & COORDINATION

FROM INDUSTRY TO NOT-FOR-PROFIT ORGANIZATIONS, AND INDIVIDUALS TO GOVERNMENTS, THERE IS A WIDE RANGE OF ECONOMIC DEVELOPMENT STAKEHOLDERS WORKING TOGETHER TO CREATE A STRONG AND SUSTAINABLE ECONOMIC FUTURE FOR WESTERN CANADA.

WD works to bring people, communities, ideas, and resources together to better coordinate efforts to develop and diversify the western economy. By increasing collaboration and coordination between departments of the Government of Canada and other partners, WD is strengthening the West's ability to respond to issues and economic challenges that impede the region's long-term growth.

On behalf of Western Canada, WD acts as an advocate, enhancing awareness of western issues to effectively link the region's priorities with national resources and ensure an effective federal response to the needs of western Canadians.

To provide a solid foundation for the development of effective policies and programs, WD also undertakes and supports research that improves understanding of Western Canada's economic issues, challenges, and opportunities.

Last year, WD funded projects that increased collaboration and coordination, advance the interests of Western Canada, and increase understanding of the West through research and analysis.

WD's activities in the area of Policy, Advocacy and Coordination are creating effective and efficient policies and programs that support the development of Western Canada.

ADVOCACY

ESTABLISHING THE WEST AS A GATEWAY BETWEEN NORTH AMERICA AND THE WORLD

Port Alberta
Alberta

WD contributed \$2.26 million to help establish the Edmonton region as a warehousing and distribution hub capable of moving materials and products anywhere in North America.

Through the Port Alberta initiative, the Edmonton region is preparing to maximize the benefits of its central location by becoming a major inland port, connected to world markets through multi-modal transportation links.

The Port Alberta partnership brings Edmonton Regional Airports Authority, the Edmonton Economic Development Corporation, the Edmonton Chamber of Commerce, and the City of Edmonton together in a coordinated effort to capitalize on the enormous opportunities in international trade.

To enhance access to international markets, the City of Edmonton has signed a memorandum of cooperation with the City of Prince George and the City of Prince Rupert, where a container terminal opened in September 2007. The terminal, which now provides the fastest trade corridor between Asia and the Midwest United States, was created with the help of a \$30 million investment by WD. From the Port of Prince Rupert, Canadian National Railway connects to Edmonton, where air, rail, and road links provide access to markets across North America.

The first of two projects funded by WD will develop a blueprint that will bring the Port Alberta concept to life and create an industry-led council to provide

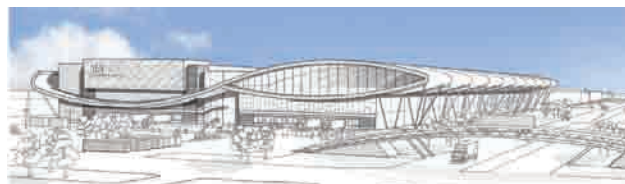


Photo courtesy of Edmonton International Airport

leadership for the initiative. By identifying opportunities, determining the economic impact and developing a coordinated action plan, the project is building the foundation for a strong and vibrant Port Alberta.

A second project is enabling the Edmonton Regional Airports Authority to establish a logistics support centre that will serve as a one-stop cargo processing facility for services such as security and regulatory clearance. Funding will also allow the development of a SmartPort Platform that uses state-of-the-art information technology to track and monitor cargo.

Through NAFTA, the additional capacity and capability provided by Port Alberta would open a new window into one of the largest free trade zones in the world, with a market of more than 400 million people.



Concept design of Port Alberta's logistics centre.
Photo courtesy of Edmonton International Airport

“The investment from Western Economic Diversification Canada will help Port Alberta improve Canada's access to global markets, support the growth of companies currently in western Canada and attract the firms necessary to help strengthen and sustain our ongoing economic prosperity in the region.”

Reg Milley,
President and CEO of Edmonton Airports.



POLICY, ADVOCACY & COORDINATION

COLLABORATION AND COORDINATION

PLANNING FOR LONG-TERM SUCCESS

Brandon Development Strategy
Economic Development Brandon

WD provided nearly \$120,000 to create an economic development strategy that is helping guide the long-term development of the City of Brandon and the neighbouring municipalities.



After completing a comprehensive evaluation of the area's challenges and assets – including affordability, excellent post-secondary institutions and a strong spirit of volunteerism – a detailed two-stage economic development strategy was created. Stage one focused on building a stronger economic foundation by addressing issues such as a local shortage of skilled labour. The second stage moved on to active promotion of the region and attraction of new economic activity, with a focus on four priority industries: agriculture, Information and Communications Technologies, tourism, health care and manufacturing.

Among the positive outcomes from the implementation of the plan was the creation of a unified brand for tourism and economic development under the slogan "You belong in Brandon". The strategy has also helped to mobilize citizens on behalf of the City's economic development efforts, with one referral resulting in a new local employer and 2,000 new jobs. Since then, Brandon has created a formal initiative, Team Brandon, that engages local business leaders as ambassadors to promote the City and its assets.

“This plan was successful in engaging and educating residents on the state of the economy and highlighting economic opportunities that were complimentary to existing community values. The process created an economic strategy to guide Economic Development activities over the next decade, and is built on a collaborative approach to economic development.”

Sandy Trudel,
Economic Development Officer, City of Brandon

LINKING BUSINESSES WITH UNIVERSITY-BASED EXPERTISE

Mathematics of Information
Technology and Complex Systems Inc.
British Columbia

WD provided \$430,000 to expand the ACCELERATE B.C. internship program, putting more graduate students to work creating new solutions for Canadian businesses.

ACCELERATE is a unique internship program that brings businesses and post-secondary institutions together to solve complex problems through the application of advanced mathematic techniques.

The on-site research projects not only help businesses become more competitive, they also provide graduate students with an opportunity to apply their skills to real-world challenges. Interns from the University of Victoria, for example, worked with a company that develops products for commercial vehicles to create leading edge technology that will lead to better fuel efficiency in hybrid vehicles. Other potential applications include seismic imaging, controlling the spread of infectious disease, climate change and improved medical diagnostics.

The ACCELERATE program is an initiative of Simon Fraser University's Mathematics of Information Technology and Complex Systems (MITACS). As the country's only Network of Centres of Excellence for the mathematical sciences, MITACS leads Canada's effort to develop and apply mathematical tools and methodologies to solve problems of strategic importance. The network's 476 scientists, 1,025 students and 319 partner organizations are collaborating on 35 projects involving 66 universities in Canada and abroad.

“This funding from Western Economic Diversification Canada will enable ACCELERATE B.C. to provide the internship experience to even more of B.C.'s graduate students. The resulting industry-academia connections will definitely enhance the competitiveness of companies in the province.”

Dr. Arvind Gupta,
Scientific Director of MITACS



ACCELERATE B.C. program intern describes the project he developed during his internship.



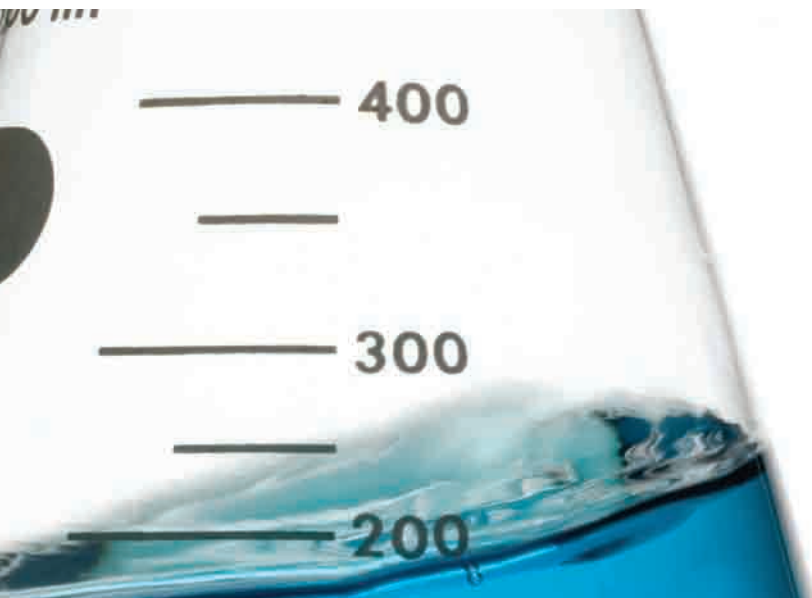
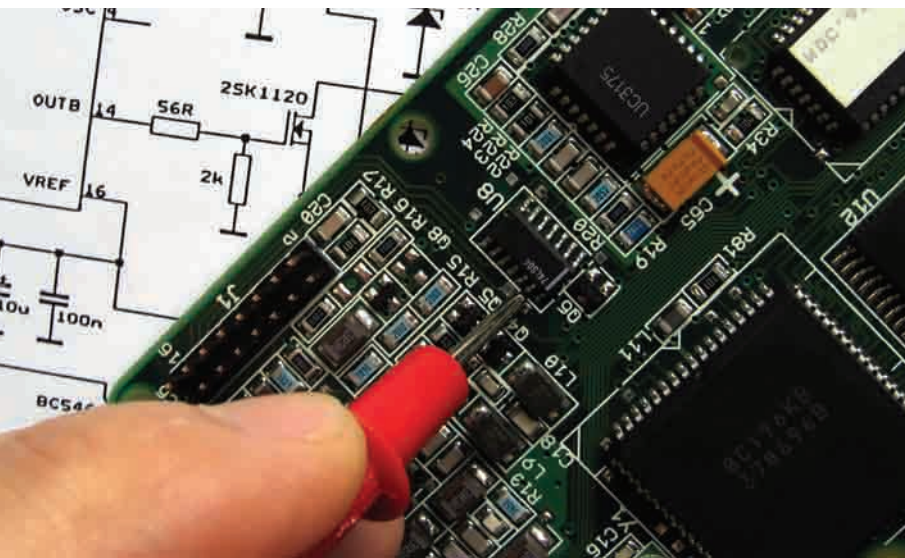
POLICY, ADVOCACY & COORDINATION

RESEARCH AND ANALYSIS

UNDERSTANDING THE WEST

Across the West

Last year, WD contributed more than \$2.75 million to support research projects that are creating a better understanding of western Canadian economic trends, issues and opportunities.



RECENT RESEARCH PROJECTS INCLUDE:

Western Canada and Latin America: Existing and Potential Commercial Relationships

Prepared by North West International Ltd., Western Canada and Latin America identifies economic and business opportunities to increase the West's engagement in Latin America, particularly in the areas of science and technology.

Reaching Out: Exploring SME Exporting Opportunities and Challenges

A study conducted by the Western Centre for Economic Research, Reaching Out provides insight into the participation of Western Canada's small business sector in export markets and provides specific recommendations for improving the region's export performance.

Going for Gold

A three-year Canada West Foundation project, Going for Gold will examine the West's economic standing and make recommendations on maintaining the region's success. The project will conclude with a conference in Vancouver in 2009 that will explore best practices in economic development policy.



**Building Saskatchewan's Bio-economy:
A Life Sciences Strategy**

Prepared by the Conference Board of Canada, Building Saskatchewan's Bio-economy makes recommendations on how the province can accelerate the growth of its life sciences industry, attract new companies and build on its comparative advantage.

State of the West 2008

The final product of NEXT West, a three-year project undertaken by the Canada West Foundation, State of the West 2008 presents key demographic and economic information about Western Canada and defines the trends that will shape the region in the years ahead.





MOVING FORWARD

IN THIS PERIOD OF GLOBAL ECONOMIC UNCERTAINTY, WD WILL CONTINUE TO FOCUS ITS ACTIVITIES AND RESOURCES ON FOUR KEY AREAS:

- **Technology Commercialization** – growing new products, services and technologies to bring to market;
- **Trade and Investment** – stimulating international trade and new investment in Canadian businesses and innovation;
- **Business Productivity and Competitiveness** – Supporting small business to ensure that Canadian entrepreneurs have the tools and skills needed to thrive in the global marketplace; and
- **Rural Diversification** – strengthening our communities and industries to ensure long-term prosperity.

Together, these priorities are the means to a stronger, more resilient economy capable of overcoming the challenges of a changing global economy.

As a strong advocate for Western Canada, WD remains committed to the development and delivery of strategic initiatives that build on the West's existing strengths, creating new and better job opportunities for western Canadians and new sources of economic growth across the region.

WD will continue to respond to emerging challenges and opportunities, and to work collaboratively with all orders of government; academic and research institutes; industry associations; and not-for-profit organizations to maximize the impact of initiatives on Western Canada's long term economic success.

By pursuing the department's vision – to be leaders in creating a more diversified western Canadian economy that has strong, competitive and innovative businesses and communities – WD is building a stronger West for a stronger Canada.

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