

# **Western Economic Diversification Canada**

**2010–11**

**Departmental Performance Report**



**Western Economic  
Diversification Canada**

**Diversification de l'économie  
de l'Ouest Canada**

**Canada** 



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## Minister's Message

As Minister responsible for Western Economic Diversification Canada (WD), I am pleased to present the Departmental Performance Report for the year ending March 31, 2011.

For nearly 25 years, WD has worked to support the long-term development and diversification of the western economy, while playing a vital role in helping build a stronger West within a stronger Canada.

By investing in projects and activities that encourage technology commercialization, promote business productivity and competitiveness, and support trade and investment, WD is helping sustain today's economic recovery, while supporting the economic development and diversification of tomorrow.

Over the past year WD continued to dedicate resources towards the implementation of Canada's Economic Action Plan. Our Government remains committed to ensuring that the stimulus program is completed and Canada returns to balanced budgets. In addition, the department continued to focus on activities that support its core mandate.

At this point, Canada's economic recovery is underway, reflecting, in part, the efforts of WD and the Government of Canada's measures under the Economic Action Plan. However, the global economy is still fragile and, as we move forward, WD will carry on making strategic investments in partnerships, projects and programs that strengthen innovation, support entrepreneurship, open doors to global markets, and contribute toward a sound economic future for Canadians.



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The Honourable Rona Ambrose, P.C., M.P.



## Minister of State's Message

As Minister of State for Western Economic Diversification, I am pleased to present the Departmental Performance Report for the year ending March 31, 2011.

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

WD is achieving this outcome through strategic investments that assist business development, bolster innovation, and promote economic development. The department also plays a key role in ensuring western interests are recognized in national decision making.



Through targeted support of major undertakings, such as investments in technology adoption and commercialization projects, and projects to improve business productivity, we are ensuring that the region's global competitiveness and opportunities for trade and investment continues to increase. We had also been dedicated to the timely and targeted implementation of Canada's Economic Action Plan, under which WD invested in more than 1,000 projects across the West. These investments have had a strong impact on jobs and growth.

In 2010–11, WD approved over 100 projects that leveraged additional funding from other partners. Through partnerships with provincial and municipal governments, universities, research institutes, industry and not-for-profit organizations, WD's work continues to support and nurture a robust, resilient and diversified western economy.

As we move into the next phase of Canada's Economic Action Plan, WD will continue to work closely with its partners and stakeholders to improve the long-term competitiveness of the West. WD will foster economic growth by delivering policies and programs that support innovation, business development and community economic development. Together, we are building a stronger West for a stronger Canada.

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The Honourable Lynne Yelich, P.C., M.P.





## Section I: Departmental Overview

### Raison d'être

Western Economic Diversification Canada (WD) is the federal government's regional economic development agency in the West. Established in 1987, WD possesses an in-depth understanding of the western Canadian economy and has developed strategic relationships throughout the West. This strong presence enables the department to successfully invest in economic diversification and development initiatives and to deliver national programs in the four western provinces.

WD was established under the *Western Economic Diversification Act* with a mandate to

*promote the development and diversification of the economy of Western Canada and to advance the interests of the West in national economic policy, program and project development and implementation.*

To deliver on its mandate, the department concentrated its efforts in its four program activities – Business Development; Innovation; Community Economic Development; and Policy, Advocacy and Coordination.

### Responsibilities

As a key contributor to a prosperous western Canadian economy, WD has participated in building on the West's traditional economic strengths while supporting the transition to a more diverse, modern economy. The West is an increasingly important gateway for international trade, a growing centre of Canadian innovation and a leader in developing communities that support entrepreneurship and economic diversity. While the global economic downturn clearly demonstrated the necessity for further economic development and diversification, the West is leading Canada's economic recovery and has emerged better prepared to capitalize on global opportunities.

#### *Vision*

*to be leaders in creating a more diversified western Canadian economy that has strong, competitive and innovative businesses and communities*

WD's program activities form the foundation for decisions related to strategic investments in projects and the development of partnerships and new initiatives. The department also selects related areas of priority which, in 2010–11, were as follows:

- **Technology Commercialization:** Assisting researchers and businesses to convert new technologies and ideas into commercial products;
- **Business Productivity and Competitiveness:** Supporting businesses to develop, innovate, and increase their productivity and competitiveness; and
- **Trade and Investment:** Supporting trade development and investment so that western Canadian companies can expand their markets.

Headquartered in Edmonton, Alberta, WD ensures a strong voice for the West in national economic decision-making and provides a strong federal presence in western Canadian economic development. In this dual role, WD represents a crucial focal point for the Government of Canada's ability to deliver on its economic priorities in the West. As last year demonstrated, WD's strong ties in the West allow the department to quickly capitalize on long-term relationships and regional knowledge to successfully deliver national initiatives in the West. This includes programs and initiatives such as Canada's Economic Action Plan (EAP) to stimulate economic recovery, infrastructure programming to upgrade and expand western Canadian infrastructure and the Economic Development Initiative (EDI) aimed at supporting businesses and economic development in western Canadian Francophone communities.

In order to ensure the department's programs and activities meet the expectations of western Canadians and align with government priorities, WD undertook a comprehensive review of its programs and spending. Through this strategic review process, the department will be able to identify future improvements such as shifting resources to higher priority programming, winding down underperforming programs and finding operational efficiencies. As a result, WD will continue to be well positioned to meet the future needs of western Canadians.

The Department Performance Report (DPR) provides a summary of the results achieved by WD in 2010–11, against the backdrop of the commitments and expected outcomes articulated in the department's [2010–2011 Report on Plans and Priorities](#) (RPP). The DPR illustrates the various mechanisms by which WD is able to achieve results, such as direct investment through grant and contribution (G&C) programs; the implementation of shared, multi-year initiatives with the four western provinces; the support of entrepreneurs through the Western Canada Business Service Network (WCBSN); and the undertaking of research to better understand the challenges and opportunities specific to Western Canada. As will be highlighted in Section II, WD's approach continues to focus on developing sectors and positioning western firms to capitalize on federal Industrial and Regional Benefits and procurement opportunities.

## Strategic Outcome and Program Activity Architecture

The chart below illustrates WD's complete framework of program activities and program sub-activities that contributed towards WD's strategic outcome in 2010–11. This structure is the basis for reporting results in this document:

Strategic Outcome	Program Activities	Program Sub-Activities
The western Canadian economy is developed and diversified	Business Development	Improve Business Productivity
		Market and Trade Development
		Industry Collaboration
		Foreign Direct Investment
		Access to Capital
	Innovation	Technology Adoption and Commercialization
		Technology Linkages
		Technology Research and Development
		Community Innovation
		Technology Skills Development
		Knowledge Infrastructure
	Community Economic Development	Community Planning
		Community Development
		Community Economic Adjustment
		Community Infrastructure
	Policy, Advocacy and Coordination	Collaboration and Coordination
		Research and Analysis
		Advocacy
	Internal Services	Governance and Management Support
		Resource Management Services
Asset Management Services		

## Program Activity Architecture Crosswalk

WD received Treasury Board approval to amend its Program Activity Architecture (PAA) in May 2009. The change was made in relation to the department's continued implementation of the Treasury Board Policy on [Management, Resources and Results Structure](#), a government-wide approach to the collection, management and reporting of financial and non-financial performance information. The new, streamlined PAA improves the department's focus on outcomes in planning and reporting, improves the communication of benefits to the public, and strengthens the capacity to evaluate programs in order to better allocate resources.

The table below illustrates the changes made to WD's PAA (the Internal Services program activity remains unchanged):

PAA for 2009–10	New PAA for 2010–11
<b>Strategic Outcome(s)</b>	
<b>1. Entrepreneurship and Innovation:</b> The western Canadian economy is competitive, expanded and diversified	<b>1. The western Canadian economy is developed and diversified</b>
<b>2. Community Economic Development:</b> Communities in Western Canada are economically viable	
<b>3. Policy, Advocacy and Coordination:</b> Policies and programs that strengthen the western Canadian economy	
<b>Program Activities</b>	
1.1 Business Development and Entrepreneurship	1.1 Business Development
1.2 Innovation	1.2 Innovation
2.1 Community Economic Planning, Development and Adjustment	1.3 Community Economic Development
2.2 Infrastructure	
3.1 Advocacy	1.4 Policy, Advocacy and Coordination
3.2 Collaboration and Coordination	
3.3 Research and Analysis	

## Organizational Priorities

### Priority Status Legend

The Priority Status rating is based upon the percentage of the expected level of performance for the priority identified in the 2010–11 RPP that was achieved during the fiscal year, as outlined below.

**Exceeded:** More than 100 percent.

**Met All:** 100 percent

**Mostly Met:** 80 to 99 percent

**Somewhat Met:** 60 to 79 percent

**Not Met:** Less than 60 percent

Priority: Business Productivity and Competitiveness	Type <sup>1</sup> : Previously committed to	Program Activity: Business Development
<p><b>Definition:</b> to support the growth and competitiveness of western Canadian small business  <b>Status:</b> <i>Mostly Met</i></p> <ul style="list-style-type: none"> <li>• Invested \$11.7 million in 18 business productivity projects, which are expected to increase sales by \$93.2 million; create or maintain 4,837 jobs; and create, maintain or expand 1,099 businesses. Examples of these investments that contributed to the business productivity and competitiveness priority, include: <ul style="list-style-type: none"> <li>○ <u>Alberta Metal Fab Innovation Program</u> to increase productivity in Alberta's metal fabrication and machinery manufacturing sector;</li> <li>○ <u>FPInnovations</u> projects in Saskatchewan, Alberta and British Columbia to transfer knowledge in the value-added forest products sector; and</li> <li>○ <u>Northern Mining Sector Council Inc.</u> to establish simulator-based underground mining training programs in Northern Manitoba.</li> </ul> </li> <li>• Continued to support small- and medium-sized enterprises (SMEs) by providing risk capital and business services through the Loan and Investment Program (LIP) and the WCBSN. While lending totals by WCBSN members remained strong, lending decreased 13.55 percent from 2009–10 levels, due to greater availability of credit through conventional lenders.</li> </ul>		

<sup>1</sup> Type is defined as follows: **Previously committed to**—committed to in the first or second fiscal year before the subject year of the report; **Ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **New**—newly committed to in the reporting year of the DPR.

<b>Priority:</b> Trade and Investment	<b>Type<sup>1</sup>:</b> Ongoing	<b>Program Activity:</b> Business Development
<p><b>Definition:</b> to enhance SME participation in global markets, create value-added opportunities through Western Canada's trade gateways and corridors, and raise Western Canada's visibility as a competitive investment location</p> <p><b>Status:</b> <i>Met All</i></p> <ul style="list-style-type: none"> <li>• Invested \$3.1 million in nine market and trade development projects that are expected to result in three activities that promote participation in major international events, 18 industry associations/partnerships, 175 companies participating in export and market development initiatives, and five export-ready companies, including: <ul style="list-style-type: none"> <li>○ <u>Regina's Western Canada Farm Progress Show</u> to attract new international buyers for western Canadian products.</li> </ul> </li> <li>• Invested \$400,000 in Economic Development Winnipeg to support an international investment attraction initiative for Winnipeg, which is expected to result in \$12.0 million in direct foreign investment.</li> <li>• Supported other initiatives that contributed to the trade and investment priority, including: <ul style="list-style-type: none"> <li>○ <u>North American Platform Program (NAPP)</u> to strengthen trade and investment linkages with the United States (US) and Mexico; and</li> <li>○ <u>Industrial and Regional Benefits (IRBs)</u> to help western firms engage in Canada's IRBs and access international procurement opportunities, and represent the West in IRB-related policy development.</li> </ul> </li> </ul>		
<b>Priority:</b> Technology Commercialization	<b>Type<sup>1</sup>:</b> Ongoing	<b>Program Activity:</b> Innovation
<p><b>Definition:</b> to facilitate the translation of knowledge and technology into commercial opportunities</p> <p><b>Status:</b> <i>Met All</i></p> <ul style="list-style-type: none"> <li>• Invested \$49.5 million in 26 technology adoption and commercialization projects which are expected to result in 96 technology demonstrations, 39 technologies adopted, two licences executed, 54 technologies to market, 13 spin-off companies formed, 24 patents filed/issued, \$2.5 million venture capital invested, and 129 prototypes developed. These projects include: <ul style="list-style-type: none"> <li>○ <u>GRAND (Graphics, Animation and New Media Network of Centres of Excellence)</u> in Vancouver to further commercialize innovative new media technologies;</li> <li>○ <u>Capilano University</u> to support training in the British Columbia film industry;</li> <li>○ <u>TECTERRA Inc.</u> to support commercialization of geomatics technology in Alberta;</li> <li>○ <u>Livestock Gentec</u> to assist the livestock genetic research program at the University of Alberta and commercialize the intellectual property (IP) developed;</li> <li>○ <u>University of Saskatchewan Toxicology Centre</u> to further develop a new technology to extract petroleum hydrocarbons and waste products from oil sands; and</li> <li>○ <u>Musculoskeletal Innovation and Product Development Centre</u> to develop and commercialize new prosthetics, lubricants and related medical devices in Manitoba.</li> </ul> </li> </ul>		

<b>Priority:</b> Public Service Renewal	<b>Type<sup>1</sup>:</b> Previously committed to	<b>Program Activities:</b> All
<p><b>Definition:</b> to sustain the necessary complement of qualified, motivated and knowledgeable staff to deliver on WD's mandate and contribute to federal priorities</p> <p><b>Status:</b> <i>Met All</i></p> <ul style="list-style-type: none"> <li>• Increased employment equity representation and appointed 11 new graduates into the federal Public Service through strategic external recruitment.</li> <li>• Provided career advancement within the department through 63 internal employment opportunities.</li> <li>• Continued to focus on employee development through identification of performance goals, development of personal learning plans and a collective performance review process.</li> <li>• Contributed to workplace renewal by: <ul style="list-style-type: none"> <li>○ Supporting managers through a series of information and training sessions and middle management participation in regional and national middle manager forums;</li> <li>○ Increasing the focus on Official Languages training, leadership training and development, and expanding succession planning initiatives; and</li> <li>○ Maintaining the focus on Public Service values through the development of WD's draft Values and Ethics Code of Conduct, delivery of employee information sessions, inclusion of values &amp; ethics training in the orientation sessions for new staff, and the development and distribution of values &amp; ethics workplace scenarios.</li> </ul> </li> </ul>		
<b>Priority:</b> Performance Measurement	<b>Type<sup>1</sup>:</b> Previously committed to	<b>Program Activities:</b> All
<p><b>Definition:</b> to ensure value for money, support organizational decision-making and demonstrate results</p> <p><b>Status:</b> <i>Met All</i></p> <ul style="list-style-type: none"> <li>• Reviewed and implemented improved performance measures by: <ul style="list-style-type: none"> <li>○ Implementing a more streamlined PAA, with one Strategic Outcome and five Program Activities;</li> <li>○ Launching a comprehensive review of the PAA to identify its strengths and weaknesses, and determine the need for further refinement or revision;</li> <li>○ Undertaking a review of the WD Performance Measurement Framework; and</li> <li>○ Developing and distributing a Performance Measurement reference guide for project officers to promote a better understanding and more consistent use of the performance measures used to report project results.</li> </ul> </li> <li>• Developed innovative performance measurement approaches by: <ul style="list-style-type: none"> <li>○ Developing and applying project case studies to better demonstrate the success of WD's investments over time; and</li> <li>○ Completing a comprehensive suite of standard performance reports in the WD Reporting Centre, improving the quality and timeliness of performance reporting.</li> </ul> </li> <li>• Further developed WD's project management system, Gateway by: <ul style="list-style-type: none"> <li>○ Developing an on-line progress reporting module within Gateway to facilitate client reporting; and</li> <li>○ Implementing a three-year action plan to further develop Gateway, including the development of a Client Relationship Management module.</li> </ul> </li> </ul>		

<b>Priority:</b> Integrated Risk Management	<b>Type<sup>1</sup>:</b> Previously committed to	<b>Program Activities:</b> All
<p><b>Definition:</b> to ensure the comprehensive and consistent use of risk information to inform departmental management</p> <p><b>Status:</b> <i>Met All</i></p> <ul style="list-style-type: none"> <li>• Approved a new departmental Risk Management Policy.</li> <li>• Completed risk-based policies, such as the new Departmental Security Plan.</li> <li>• Renewed WD's Corporate Risk Profile and aligned the renewal process more closely with WD's planning cycle.</li> </ul>		
<b>Priority:</b> Information Management	<b>Type<sup>1</sup>:</b> Previously committed to	<b>Program Activities:</b> All
<p><b>Definition:</b> to enhance access to information supporting decision-making and communication with Canadians</p> <p><b>Status:</b> <i>Somewhat Met</i></p> <ul style="list-style-type: none"> <li>• Established an Information Management governance model with senior executive leadership.</li> <li>• Completed realignment of functional areas to optimize Information Management operations.</li> <li>• Completed multi-year implementation plans for both Electronic Records and Document Management, and digitization of paper records.</li> <li>• Engaged subject matter experts for duration of project with executive approval for funding.</li> <li>• Developed and provided Information Management Awareness sessions for staff.</li> </ul>		

## Risk Analysis

### Operating Environment

As part of its planning process, the department undertakes a formal risk assessment which serves as the foundation for the department's Corporate Risk Profile and helps to inform its priority setting. Throughout the year, WD continues to assess external and internal factors that may adversely affect the delivery of its programs and services to western Canadians. The key risks that impacted WD's performance in 2010–11 are outlined below.

### External Risks

Despite persistent uncertainty, the global economic recovery continued to gain momentum in 2010–11. Consumer demand in the US improved and was reinforced by additional monetary and fiscal stimuli. Growth in Europe was encouraging, though ongoing challenges with sovereign debt continued to plague the region. Strong growth in emerging markets drove demand for commodities, while some emerging economies began to implement more restrictive monetary policy to contain inflation.

As anticipated in the 2010–11 RPP, Western Canada recovered quickly from the 2009 global economic downturn, with gross domestic product (GDP) increasing 4.2 percent in 2010. Growth was driven by primary sectors, which benefitted from the rebound in commodity prices. Accordingly, exports were up in all western provinces except Manitoba, whose proportionally large manufacturing sector was challenged by the appreciation of the Canadian dollar.



Outside of British Columbia, the majority of western exports remained reliant on the American market. Western Canada's commodity-based economy is undermined by persistent weakness in innovation and productivity, as reflected by the region's comparatively low expenditures on research and development (R&D), investment in information and communications technologies (ICT), and university income from the commercialization of IP.

The extent to which external risks hindered the achievement of targets is presented in Section II.

## Internal Risks

In 2010–11, the department identified six potential risks which may inhibit achieving objectives: the delivery of the EAP, measuring and demonstrating results, Public Service Renewal, financial management, values and ethics, and policy and programming. In response, the department established mitigation plans to manage negative impacts associated with its corporate risks. Although delivery of the EAP remained a top priority, the department renewed its commitment to enhance performance measurement and reporting, take measures to renew the Public Service and build upon existing sound financial management practices. In response to the new Government of Canada's Code of Conduct, WD recognized values and ethics as an area of emphasis in 2010–11 and accelerated efforts to ensure policy and programming is relevant and effective. To assure greater reliability, these risks and mitigation plans were reviewed by the external Departmental Audit Committee.

## Summary of Performance

WD's performance during 2010–11 is summarized in the following tables:

- Total financial and human resources; and
- Performance by strategic outcome.

Departmental performance against its targets is explained in greater detail, both by strategic outcome and at the program activity level, in Section II of this report. The online version of the DPR includes hyperlinks to WD's Web site, where more details of the results of WD-funded projects are provided.

2010–11 Financial Resources (\$ thousands)			2010–11 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
428,958	490,273	466,491	474	455	19

FTE = full-time equivalent

To measure progress against its strategic outcome, WD has selected four performance indicators and established targets, which it tracks annually. These indicators provide a broad macroeconomic context for WD's planning and reporting; the targets reflect economic forecasts for Western Canada for the 2010–11 planning period. The performance against the targets provides feedback on how accurate these forecasts were, and may help to explain some of the contextual barriers encountered in addressing priorities during the year.

The second part of the table also illustrates the distribution of WD's overall funding by the five program activities that make up WD's PAA for 2010–11, and includes a separate accounting of funding received by the department through the EAP.

**Strategic Outcome: The western Canadian economy is developed and diversified**

Performance Indicators	Targets	Performance
Real GDP growth in western Canada	3.0% (stable growth rate)	4.2% (2010 preliminary data)
Labour productivity growth in Western Canada, measured as year-over-year change in real GDP per hour worked	1.2% (stable growth rate)	1.0154% (2010)
Primary production as a percentage of GDP	14% (continuation of downward trend)	14.5% (2010 preliminary data)
R&D intensity: gross domestic expenditures on R&D (GERD) as a percentage of GDP	1.3% (stable growth rate)	0.8% (2008)

Program Activity (\$ thousands)	2009–10 Actual Spending	2010–11 <sup>2</sup>				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities <sup>3</sup>	Actual Spending <sup>4</sup>	
Business Development	46,941	43,076	39,157	45,859	44,205	Strong Economic Growth
Innovation	86,869	59,455	59,455	73,526	77,096	An Innovative and Knowledge-based Economy
Community Economic Development	66,718	54,112	58,031	58,592	46,547	Strong Economic Growth
Policy, Advocacy and Coordination	8,646	8,873	8,873	9,465	8,583	Strong Economic Growth
Canada's Economic Action Plan	186,314	245,022	245,022	283,122	262,454	Strong Economic Growth
<b>Total</b>	<b>395,488</b>	<b>410,538</b>	<b>410,538</b>	<b>470,564</b>	<b>438,885</b>	

<sup>2</sup> Commencing in the 2009–10 Estimates cycle, the resources for Internal Service are displayed separately; they are no longer distributed among the remaining program activities. In 2010–11, an exercise was conducted at the regional level on direct coding of salaries to program activity. The resulting change affects the comparability of spending and FTE information by program activity between fiscal years.

<sup>3</sup> Total Authorities are greater than Planned Spending as new funding was received through Supplementary Estimates. This consists of \$19.6 million carry-forward for the Recreational Infrastructure Canada (RInC) program, \$14.4 million for Western Diversification Program renewal, \$13.5 million carry-forward for Community Adjustment Fund, \$4.5 million for Rick Hansen Foundation, \$3.6 million for Community Futures, \$2.1 million operating carry-forward, \$1.9 million Building Canada Fund operating funding and \$1.7 million for various other items.

<sup>4</sup> Actual Spending is lower than Total Authorities, primarily due to the transfer of \$14.9 million contractual commitments under RInC to 2011–12 as well as a surplus from unspent EAP operating and contribution funding.

Program Activity (\$ thousands)	2009–10 Actual Spending	2010–11 <sup>2</sup>			
		Main Estimates	Planned Spending	Total Authorities	Actual Spending
Internal Services	25,815	18,420	18,420	19,709	27,606

## Expenditure Profile

### Canada's Economic Action Plan

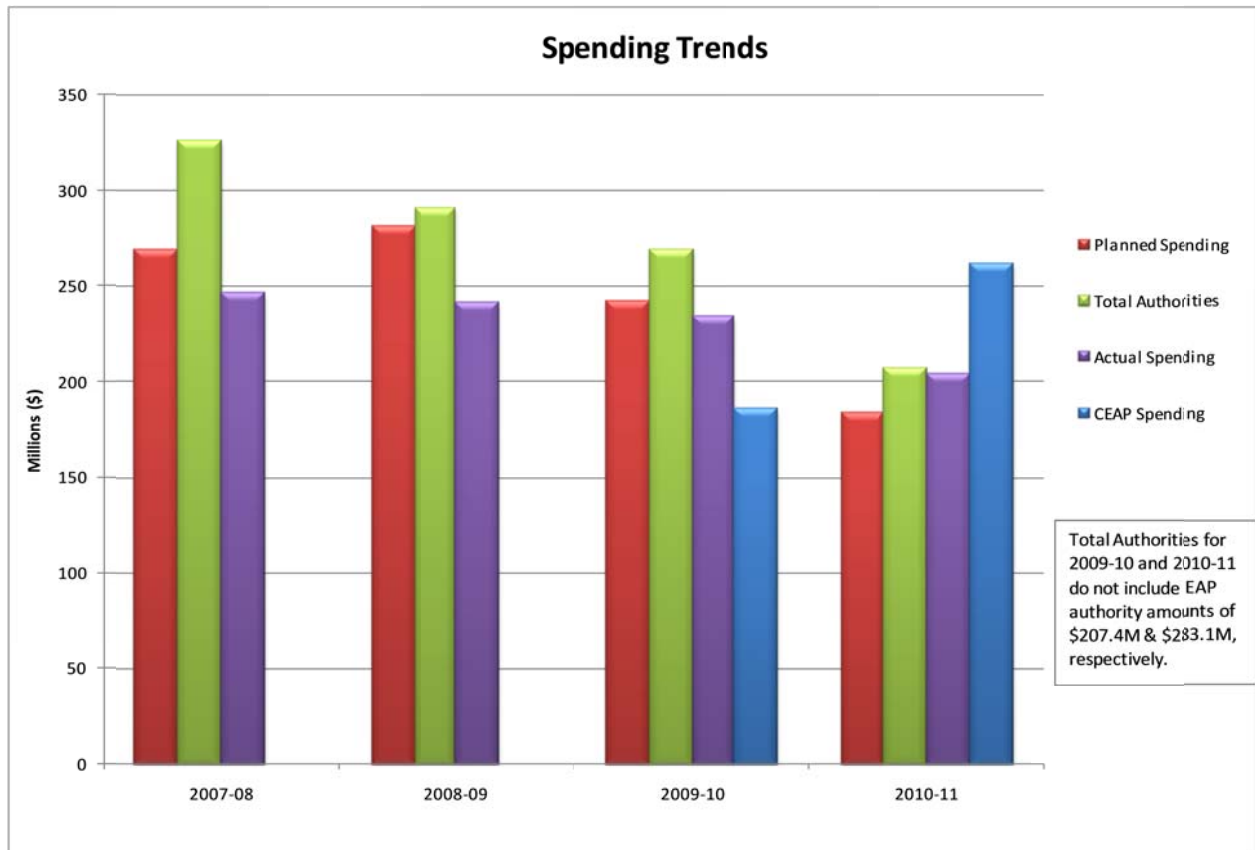
Under Canada's Economic Action Plan (EAP), WD was responsible for the delivery of the Recreational Infrastructure Canada (RInC) program, the Community Adjustment Fund (CAF), the Calgary Stampede project and the on-going Canada Business Network (CBN) funding in Western Canada. The department spent a total of \$186.3 million in 2009–10 and \$262.4 million in 2010–11. WD is also delivering the Building Canada Fund – Communities Component (BCF-CC) Top-Up funding, which was announced in Budget 2009, on behalf of Infrastructure Canada (INFC), within WD's existing operating funding levels.

### Departmental Spending Trend

Spikes in actual spending over the past four years can be attributed to one-time initiatives – such as the Mountain Pine Beetle (MPB) program, the Alberta-Saskatchewan Centenaries (ASC) initiative and the International Vaccine Centre's Biosafety Level III Containment Facility in Saskatchewan – which WD delivered in addition to its core programs. As indicated in the performance table above, 2009–10 and 2010–11 actual spending was augmented by the delivery of EAP initiatives, CAF, RInC, the Calgary Stampede project and on-going funding for the CBN.

The wind down of some prior initiatives may also impact the department's level of spending from year to year. For example, expenditures under the Infrastructure Canada Program (ICP) decreased over the last three years from \$12.9 million in 2008–09, to \$3.7 million in 2009–10 and \$166,667 in 2010–11, whereas expenditures related to the ASC initiative increased from \$24,240 in 2009–10 to \$6.2 million in 2010–11. The interaction of initiatives that are winding down and others that are ramping up, results in less dramatic fluctuations in actual spending year-over-year, as is illustrated in the spending trends chart below.

The figures presented in both the performance table and the spending trends chart do not include funds spent through Other Government Department suspense accounts, on behalf of other departments. For example, in fiscal year 2010–11, WD expended approximately \$217.6 million on behalf of INFC to deliver BCF (Communities Component and Major Infrastructure Component), the Municipal Rural Infrastructure Fund (MRIF) and the Canada Strategic Infrastructure Fund (CSIF).



### Estimates by Vote

For information on departmental votes and/or statutory expenditures, please see the 2010–11 Public Accounts of Canada (Volume II) publication. An electronic version of the Public Accounts is available at <http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html>. WD’s vote expenditures include operating expenditures, and grants and contributions. WD’s significant statutory expenditures include CAF and contributions to employee benefit plans.

## Section II: Analysis of Program Activities by Strategic Outcome

### 2.1 Strategic Outcome: The western Canadian economy is competitive, expanded and diversified

WD's programs encourage business development, innovation and community economic development, and are supported by the department's leadership and coordination role in furthering western interests and responding to western challenges.

WD works to improve the economic competitiveness of the West and the quality of life of its citizens by supporting a wide range of initiatives designed to expand the western economy, create employment opportunities, and ensure prosperity for citizens and communities over the long term. Furthermore, the department stimulates economic activity, increases the business productivity and competitiveness of western firms, reduces the region's dependence on primary industries, and encourages investments in innovation.

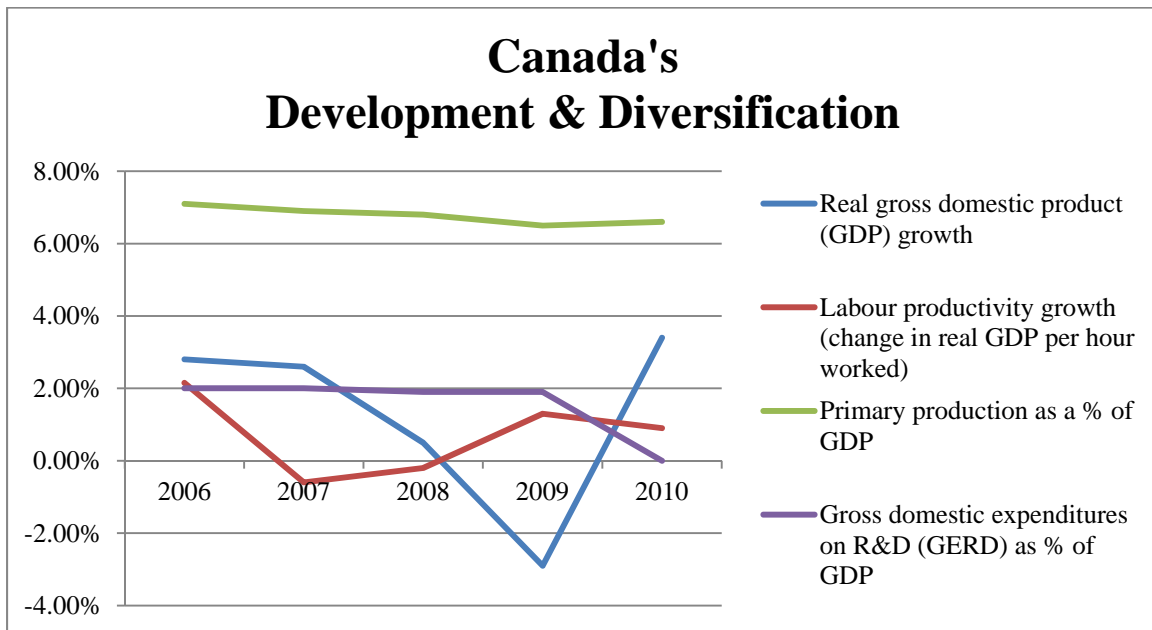
WD utilizes a number of economic indicators to gauge the competitiveness, growth and diversity of the western Canadian economy in order to better understand the environment which it is attempting to influence. The charts below depict the five-year trend of Canada's and Western Canada's performance against four indicators, two related to economic development and two related to diversification. In terms of economic development, the year-over-year real GDP growth rate for the West peaked at 4.6 percent in 2006 before declining in both 2007 and 2008, and turning negative in 2009 due to the global economic crisis. In 2010, GDP growth was positive again at 4.2 percent<sup>5</sup> and has exceeded the national rate in four of the last five years. The West's labour productivity growth – real GDP per hour worked – was 1.5 percent in 2010<sup>6</sup>, representing an increase in the rate of growth over 2009 due to the economic recovery.

Performance Indicators		2006	2007	2008	2009	2010 <sup>6</sup>
Real GDP growth	Canada	2.8%	2.6%	0.5%	-2.9%	3.4%
	West	4.6%	2.7%	0.8%	-3.7%	4.2%
Labour productivity growth (change in real GDP per hour worked)	Canada	2.15%	-0.6%	-0.2%	1.3%	0.9%
	West	1.4%	-1.9%	0.5%	1.0%	1.5%
Primary production as a percentage of GDP	Canada	7.1%	6.9%	6.8%	6.5%	6.6%
	West	15.6%	14.9%	14.4%	14.4%	14.5%
GERD as a percentage of GDP	Canada	2.0%	2.0%	1.9%	1.9%	n/a
	West	1.0%	0.9%	0.8%	n/a	n/a

<sup>5</sup> Based upon preliminary data for 2010.

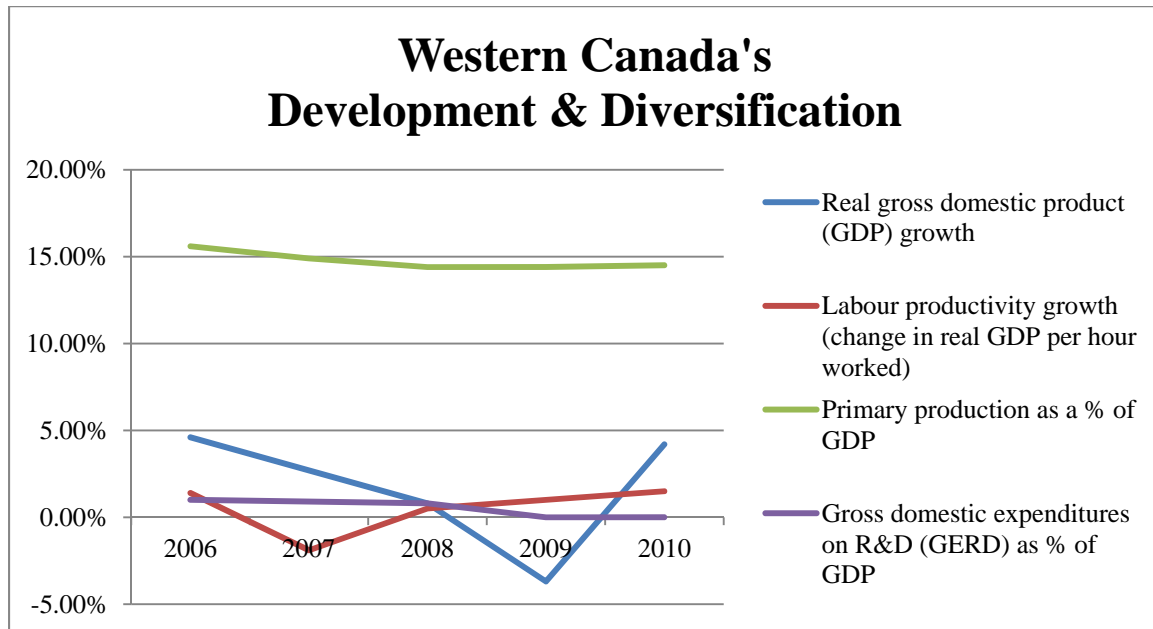
<sup>6</sup> Preliminary data.

In terms of diversification, primary production in the West as a percentage of GDP was 14.5 percent in 2010<sup>7</sup>, which represents a slight increase in the share of GDP from 2009. Ideally, the percentage of primary production should decrease over time as a reflection of a more diversified economy. R&D intensity, as measured by GERD as a percentage of GDP, decreased slightly from 1.0 percent in 2006 to 0.9 percent in 2007<sup>8</sup> and decreased further in 2008 to 0.8 percent, which falls short of the target for stable growth of 1.3 percent per year. Ideally, the percentage of R&D expenditures should grow over time in order to support the growth of the knowledge-based economy.



<sup>7</sup> Based upon preliminary data for 2010

<sup>8</sup> The GERD figures for 2006 and 2007 reported here are based upon revised Statistics Canada tables, and therefore do not agree with the figures reported in DPR 2009–10.



Source: Statistics Canada

A summary of performance and analysis for each of WD's Program Activities is presented below. The Program Activities' analyses are structured as follows:

- A description of the Program Activity, taken from the Main Estimates, is provided;
- A table of the financial and human resources utilized in 2010–11 to support the Program Activity is provided, followed by a table summarizing results against targets at the Program Activity level. (The Performance Status Legend, below, outlines the five-point scale used to assess performance against targets at the Program Activity level. This is the same scale that was used in Section I to assess WD's performance against priorities.);
- An explanation of the performance status in the table is provided in the opening paragraph of the Performance Summary and Analysis;
- Activities or outputs summarize projects that WD approved under the Program Activity in 2010–11, including examples of projects approved in support of departmental priorities. (WD's main output performance measures are "*number and value of projects approved.*" For complete descriptions of these approved projects, please refer to WD's public Web site: <http://www.wd-deo.gc.ca/eng/13098.asp>);
- Impacts or outcomes summarize the impact of projects that realized final results during 2010–11, based upon the outcome performance measures specific to the Program Activity;
- Examples of recently completed projects that had exceptional impact are provided (For complete descriptions of these completed projects, please refer to WD's public Web site: <http://www.wd-deo.gc.ca/eng/13098.asp>); and
- Each sub-section ends with Lessons Learned that arise from either program evaluations or WD's experience in the Program Activity area in general.

The Policy, Advocacy and Coordination sub-section is structured somewhat differently, as each sub-activity is given its own section. (Previously, the three sub-activities under Policy, Advocacy and Coordination were positioned at the Program Activity level in WD's PAA.)

### Performance Status Legend

The Performance Status rating is based upon the percentage of the expected level of performance (as evidenced by the indicator and target or planned activities and outputs) for the expected result identified in the 2010–11 RPP that was achieved during the fiscal year, as outlined below.

**Exceeded:** More than 100 percent.

**Met All:** 100 percent

**Mostly Met:** 80 to 99 percent

**Somewhat Met:** 60 to 79 percent

**Not Met:** Less than 60 percent

#### 2.1.1 Program Activity: Business Development

This program activity works with western Canadian businesses, industry and research organizations to undertake initiatives that enhance business productivity and competitiveness; support trade and investment attraction; and increase the penetration of western Canadian technologies, services and value-added products into international markets. Value-added production is strengthened through initiatives in priority sectors to introduce new products, technologies or innovations to existing production and processes. Access to risk capital and business services for entrepreneurs and small business are improved through programs and services offered in conjunction with other business services organizations and associations.

2010–11 Financial Resources (\$ thousands)			2010–11 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference <sup>2</sup>
39,157	45,859	44,205	65	37	28



Expected Results	Performance Indicators	Targets	Performance Status
Strong SMEs in Western Canada with improved capacity to remain competitive in the global marketplace.	SME revenue (all SME sizes, excluding non-employees)	\$322 billion (Stable level of revenue)	Data not available
	SME employment, (all SME sizes, excluding non-employees)	2.5 million (Stable)	Met All (2.52 million – 2010)
	Annual international trade: value of exports excluding primary production sectors	\$47 billion	Mostly Met (\$37.8 billion – 2010)

## Performance Summary and Analysis of Program Activity

WD tracks SME revenue and employment levels, as well as annual international trade (excluding primary production) as indicators of SMEs' capacity to remain competitive in the global marketplace. Consistent with the steady economic recovery forecast for 2010, Western Canada's economy met or mostly met its performance targets for SME employment and annual international trade. SME employment remained stable at 2,520,255 (based on most recent data available). The value of Western Canada's annual international trade in non-resource based sectors reached \$37.8 billion in 2010, a 10 percent increase over the previous year. This proved contrary to many predictions that the high value of the Canadian dollar relative to the US dollar might have a dampening effect on exports.

## Activities

In 2010–11, WD's funding of \$15.2 million leveraged \$22.9 million from other sources for 28 projects in support of Business Development. In addition, WD approved \$36.8 million to continue funding the 118 members of the WCBSN, which include 90 Community Futures (CF) organizations, four CF provincial associations, four Francophone Economic Development Organizations (FEDOs) and four Women's Enterprise Initiative organizations, as well as the Entrepreneurs with Disabilities service providers and Aboriginal Business Service Network members. This funding will ensure SMEs continue to have the knowledge, skills and capacity to compete. In addition, WD continued to jointly fund the four CBN service centres in Western Canada with the provincial governments. Collectively, organizations comprising the WCBSN provided the following services in 2010–11 (results of loan activity by the WCBSN are provided under Impact, below):

- More than 288,000 information services;

- More than 57,000 advisory services;
- More than 33,600 clients trained; and
- More than 123,000 client interactions through multiple access channels provided by the CBN service centres across Western Canada, including: e-mail (9,055 interactions), telephone (47,054 interactions), walk-in traffic (48,817 interactions) and trade show/presentation interactions (16,805).

In support of its **business productivity and competitiveness priority**, WD funded projects such as:

- Alberta Metal Fab Innovation Program – WD invested \$1.5 million to increase productivity in Alberta's metal fabrication and machinery manufacturing sector;
- FPIinnovations – WD contributed \$639,000 for a knowledge transfer project for the value-added forest products sector in Alberta and \$424,000 for a similar project in Saskatchewan. WD invested a further \$600,000 to support the First Nations Forestry Products Technical Program in British Columbia;
- The Northern Manitoba Sector Council Inc. – WD invested \$1.62 million to establish a Northern Mining Skills Training Program in Manitoba; and
- Motion Picture Production Industry Association of British Columbia – WD provided \$510,000 for a project that will develop and implement a three-year strategy to attract investment and foreign productions, and expand global opportunities for the production and distribution of British Columbia owned and co-owned productions.

**Link to 2010–11 Operational Priorities:**

- Business Productivity and Competitiveness
- Trade and Investment

In 2010–11, WD addressed its **trade and investment operational priority** by helping western Canadian SMEs, industry associations and research institutes enhance and diversify their exports, create international R&D partnerships and attract investment toward non-traditional markets. WD, for example, provided support to attract new international buyers to Regina's [Western Canada Farm Progress Show](#), resulting in increased export sales for western Canadian companies. The department's efforts have assisted western Canadian SMEs to improve their trade performance after a steep decline following the global economic crisis.

WD, working in close collaboration with the Department of Foreign Affairs and International Trade, enabled western Canadian SMEs to enhance their presence in the US/Mexico market and to access North American supply chains through [NAPP](#). WD supported 33 international business development projects, totalling \$357,000, through NAPP. One project involved four western Canadian businesses travelling to a high profile biomedical investor and partnership conference in Southern California, resulting in six investment leads, three potential partnerships and numerous technology transfers.

## Impact

The 34 Business Development projects that realized final results during 2010–11 collectively met 80 percent or greater of the targets set for eight out of 11 performance indicators (73 percent). In terms of individual project results, 26 of these projects (76 percent) achieved 80 percent or better against their targets for all Business Development performance indicators. By sub-activity, the following results were achieved:

- **Access to Capital** activities lead to increased investment in targeted western Canadian firms. The two projects which realized final results exceeded the target for the performance indicator for this sub-activity, creating 63 more businesses than anticipated (97 versus 34);
- **Foreign Direct Investment** builds increased foreign investment in Western Canada. The one project which realized final results somewhat met the target for the performance indicator for this sub-activity, facilitating \$600,000 less in foreign direct investment than anticipated (\$1.0 million versus \$1.6 million);
- **Improve Business Productivity** aims to increase SME competitiveness and productivity. The 18 projects which realized final results collectively exceeded the targets for one of the four performance indicators for this sub-activity, creating six more businesses than anticipated (102 versus 96), and mostly met the targets for a second performance indicator (*% client satisfaction with business services provided*) falling short of the target by less than 10 percent (68.5 percent versus 76.5 percent). These projects somewhat met targets for a third indicator, creating 51 fewer jobs than anticipated (96 versus 147), and did not meet the target for the fourth and final indicator (*value of increase in sales*), missing the target by more than \$400 million (\$14.7 million versus \$430.4 million). This shortfall in sales was primarily due to an error in target-setting for one project, and partially due to a second project coinciding with the global economic downturn in 2008. The latter project, which provided support to the British Columbia cruise ship industry, produced significant results in terms of reduced operating costs and environmental benefits;
- **Industry Collaboration** supports an increase in the number of successful partnerships and strategic alliances. Together, the two projects that realized final results met the targets for the performance indicator for this sub-activity (*# of partnerships/strategic alliances* – 34 versus 34); and
- **Market and Trade Development** activities focus on increasing participation in international markets. The 11 projects which reported final results collectively exceeded the targets for two of the four performance indicators for this sub-activity, creating eight more industry association partnerships than anticipated (18 versus 10), and organizing five more major international events promoting western Canadian capabilities than anticipated (13 versus 8). These projects also mostly met the targets for the other two performance indicators, falling short of the anticipated number of companies participating in export and market development initiatives by 296 (4,994 versus 5,290), and missing the target for number of export-ready companies by two (23 versus 25). (For complete results, please refer to the table on WD's public Web site: <http://www.wd-deo.gc.ca/eng/13099.asp>.)

The WCBSN also had a favourable impact on the western Canadian economy in 2010–11, exceeding its targets in all areas. By sub-activity, WD's network partners had the following impacts:

**Access to Capital:**

- 1,597 loans approved, totalling \$78.8 million (target was \$76.4 million);
- \$87.8 million leveraged through lending (target was \$56.8 million);
- 5,970 jobs created or maintained through lending (target was 4,684); and
- 1,438 businesses created, maintained or expanded through lending (target was 1,318).

**Improve Business Productivity:**

- 3,212 jobs created or maintained through business services (target was 3,105); and
- 1,517 businesses created, maintained or expanded through business services (target was 2,995).

By facilitating access to capital for entrepreneurs and small businesses, the WCBSN, as well as LIP, impacted WD's **business productivity and competitiveness priority**. Economic recovery in 2010–11 saw significant improvements in credit markets, greater availability of credit and a lower demand for capital from non-conventional lenders. As a result, lending by WCBSN members dropped 13.5 percent from 2009–10 levels. Through LIP, participating financial institutions approved 206 loans totalling \$7.3 million.

WD also realized positive impacts during 2010–11, with respect to its **trade and investment priority**, as a result of staff efforts and investments of operating funding in initiatives such as NAPP. The impacts of WD's trade and investment effort include strengthened engagement by SMEs in global markets, better awareness of Western Canada as a competitive investment destination, and strengthened linkages between the western Canadian science and technology community and international networks. Many of these impacts are not reflected in the performance results provided above, as those results are based upon reports from projects receiving G&C funding.

Some examples of Business Development projects which have recently reported final results that exceeded expectations include:

- Bison Feeder Co-operative of Saskatchewan – WD contributed \$74,000 for a project to develop new markets for bison products in the Middle East;
- The Winnipeg Chamber of Commerce – WD invested \$230,000 to support the second phase of the “Selling Winnipeg to the World” initiative, in which project stakeholders collaborated to attract new investment and create jobs;
- Vancouver Economic Development Society – WD provided \$805,000 to develop and implement the 2010 Partnership Investment Program to attract and engage foreign investment decision-makers during the Winter Olympics;
- Case Study: Building Productivity – Since 2005, WD has contributed \$36.6 million to 39 Alberta business productivity projects in manufacturing, construction and management, with impacts at the micro, meso and macroeconomic level; and

- [Corridor touristique francophone de l'Ouest](#) – WD provided \$796,500 to La Société de développement économique de la Colombie-Britannique to promote Western Canada as a destination of choice for French-speaking tourists through the pan-western Francophone Tourism Corridor.

## Lessons Learned

An [evaluation](#) was undertaken in 2010–11 which covered both the Entrepreneurs with Disabilities Program (EDP), delivered in rural areas through CFs, and the Urban Entrepreneurs with Disabilities Initiative, delivered by various service providers in Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Regina and Winnipeg. The evaluation found that the pre- and post-care loan support services offered by EDP were viewed by key informants as a very valuable aspect of the program; 11,000 hours of business counselling services were reported over the four-and-three-quarter-year evaluation period. Further, as a result of the pre-care service, the approval rate for loans was quite high at 91 percent. A total of 1,614 jobs were created through 575 loans, valued at \$15.3 million. The most frequent challenges identified by key informants included the lack of clarity around expectations and performance management, and the inconsistency of program delivery from region to region. The evaluation underlined the importance of having clear, measurable performance indicators to facilitate the impact assessment of the program.

WD recognizes the importance of supporting western Canadian SMEs in their pursuit of international business development opportunities in emerging markets, particularly in light of Export Development Canada's recent findings in its [Global Export Forecast](#) of the benefits of continued market diversification. Going forward, WD will continue to target trade and investment initiatives that help western SMEs access emerging markets, as a way of growing their businesses and contributing to the region's overall prosperity, while also recognizing the continued importance of the North American market.

WD participated in the 2010 strategic review and assessed all programs to ensure they remain effective and efficient, aligned with the department's core role, and focused on Canadian priorities. WD found savings, representing about 5 percent or \$8.9 million of the department's review base, associated with LIP, the Community Planning program activity and improving internal operating efficiencies.

The wind-down of WD's LIP and associated agreements will be phased in over a three-year period with all available funds (\$3.7 million annually) effectively terminated as of April 1, 2013. Existing agreements with lending institutions remain in effect; WD will work closely with the lenders to ensure a smooth wind-down of the remaining agreements.

### 2.1.2 Program Activity: Innovation

This program activity facilitates the West's transition to a knowledge-based economy. Through innovation, knowledge is translated into new products and services and to new ways of designing, producing or marketing existing products or services for public and private markets. This recognizes that innovation occurs at the firm level, through a highly complex

interdependent system that includes elements such as knowledge infrastructure, basic and applied R&D, highly qualified personnel, access to adequate patient financing, technology commercialization facilities, and support systems and mechanisms to link these elements to each other. The process of innovation is not linear or isolated but occurs within a broader context known as an "innovation system". WD's Innovation program activity strengthens the western innovation system to facilitate the development of clusters and enhance the potential of innovation to create value and wealth.

WD's approach to innovation aligns with the overall federal approach, which is outlined in the [2007 Science & Technology Strategy](#) and in recent initiatives, such as the development of the [Digital Economy Strategy](#) (DES) and the [Review of Federal Support to Research and Development](#). For example, WD actively supports the ICT sector, which aligns with the DES. In addition, WD recognizes the importance of business R&D, and has actively contributed to the federal review of business R&D.

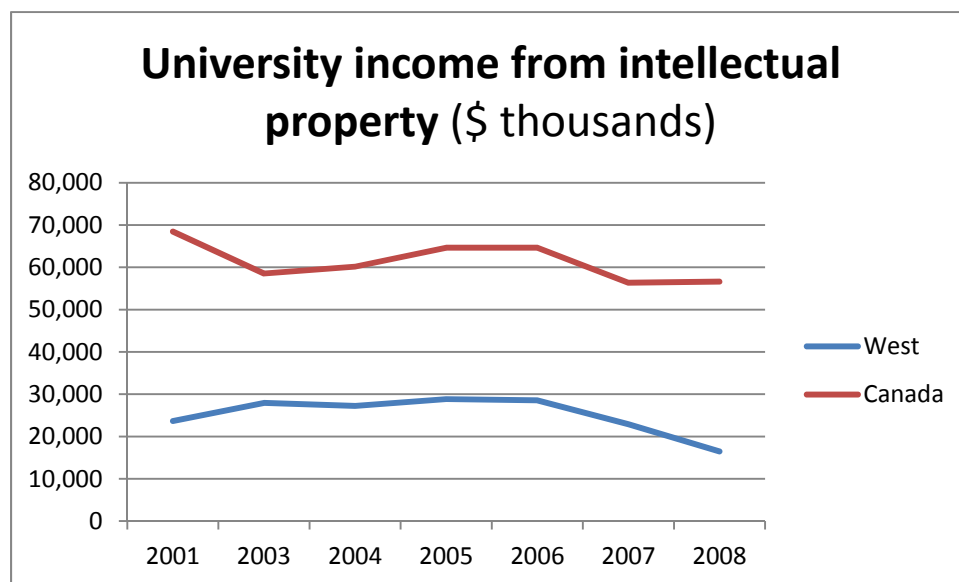
2010–11 Financial Resources (\$ thousands)			2010–11 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference <sup>2</sup>
59,445	73,526	77,096	54	28	26

Expected Results	Performance Indicators	Targets	Performance Status
A stronger knowledge-based economy.	Total western Canadian university income from the commercialization of IP	\$28.14 million (stable growth rate)	Not Met (\$16.483 million – 2008, decline in income from 2007)
	Business expenditure on R&D (BERD) as a percent of GDP	.55% (stable growth rate)	Mostly Met (0.5% – 2008, stable rate of expenditure)
	Employment in natural and applied science and related occupations as a percent of total employment	7.0% (modest increase)	To be reported again in 2011–12 based upon 2011 Census data

## Performance Summary and Analysis of Program Activities

WD tracks Western Canada's progress in innovation through high-level indicators such as western Canadian university income from the commercialization of IP, BERD, and employment in natural and applied science. Income from commercialization of IP in Western Canada remained stable from 2003 through 2006 at \$27-28 million, then dropped to \$22.9 million in 2007 and experienced a further decrease to \$16.5 million in 2008. This decrease reflects the national trend, as average income from IP in Canada decreased by nine percent in 2008

compared to 2007. WD is monitoring this trend, as the decline may be attributable to inconsistent reporting practices at universities. BERD as a percentage of GDP has remained stable from the baseline year of 2004 through 2008 at approximately 0.5 percent, which is low compared to Canada as a whole (1.0 percent), as well as compared to Canada's international competitors. The most recent data available regarding employment in natural and applied science is the baseline data from 2006 of 6.5 percent.

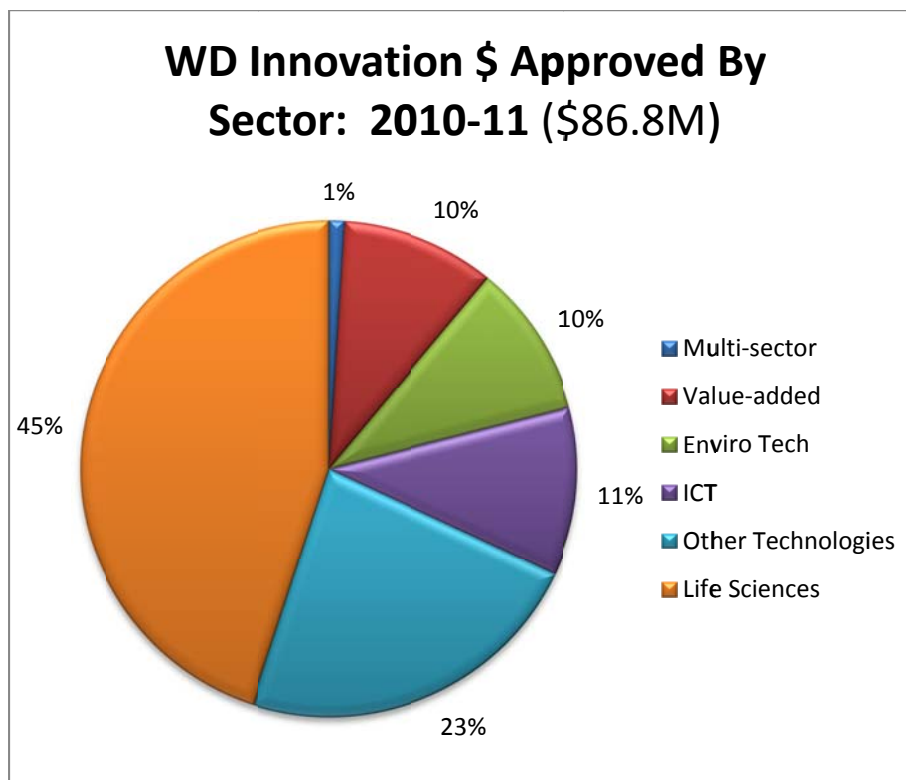


Source: Statistics Canada

**Note:** Data not available for 2002. National data suppressed in 2005 to meet the confidentiality requirements of the *Statistics Act*.

## Activities

During 2010–11, WD provided \$86.8 million to 43 innovation projects with 31 separate funding recipients. The majority of projects (57 percent) were in the technology adoption and commercialization activity, followed by knowledge infrastructure (22 percent), technology linkages (16 percent) and technology R&D (5 percent). The projects attracted funding of \$209.8 million from other sources (\$2.46 for each dollar WD contributed). The following chart demonstrates that the majority of funding went to life sciences (45 percent), with relatively even contributions to environmental technologies, ICT and the value-added sector. The balance was allocated to other knowledge-based sectors such as micro/nanotechnologies, synchrotron and medical isotopes.



In support of its **technology commercialization priority**, WD funded projects such as:

- GRAND (Graphics, Animation and New Media Network of Centres of Excellence) in Vancouver – WD provided \$399,000 to further commercialize innovative new media technologies developed by the network members from across Canada. (Digital/ICT sector);
- Capilano University – WD invested \$969,000 for the purchase of specialized equipment to train students and upgrade skills for those currently employed in the British Columbia film industry;
- TECTERRA Inc. – WD contributed \$6 million to support knowledge infrastructure and industry-driven testing programs that will reduce significant cost-barriers associated with the commercialization of geomatics technology in Alberta;
- Livestock Gentec – WD invested \$3.5 million to establish Gentec Not-For-Profit, a fee-for-service genotyping and biobanking facility for the livestock genetic research program at the University of Alberta;
- University of Saskatchewan Toxicology Centre – WD provided \$1.0 million to further develop a new technology to extract petroleum hydrocarbons and waste products from oil sands, tailings and process water; and

**Link to 2010–11 Operational Priorities:**

- Technology Commercialization



- Musculoskeletal Innovation and Product Development Centre (MIPDC) – WD contributed \$2.5 million to enhance MIPDC’s capacity to develop and commercialize new prosthetics, lubricants and related products for the musculoskeletal medical devices sector in Manitoba.

## Impact

Each year, WD contributes to the western Canadian innovation system through its advocacy and coordination efforts and, in 2010–11, the department participated in consultations on the development of the DES and the Canadian Innovation Commercialization program. WD also supported innovation by providing direct and indirect funding to develop innovation sectors and clusters, increase **community innovation**, contribute to **knowledge infrastructure**, promote **skills development**, support **R&D**, and assist in the **adoption and commercialization of technology**.

WD’s investment portfolio includes multi-year funding arrangements, resulting in many impacts realized in 2010–11 that stem from previous years’ investments. Fifteen innovation projects, which received \$13.7 million in funding, realized and reported final results in 2010–11. Overall, 11 of 15 (73 percent) projects mostly met, met, or exceeded performance expectations against all program activity indicators, demonstrating WD’s success in enhancing innovation potential in Western Canada. Performance based upon a review of the 24 indicators used to measure Innovation outcomes is similar: Collectively, the projects achieved at least 80 percent of expected performance levels against 18 of the 24 Innovation performance indicators. (For complete results, please refer to the table on WD’s public Web site: <http://www.wd-deo.gc.ca/eng/13099.asp>.)

Some recent examples of significant completed projects that illustrate results in the area of innovation include:

- St. Boniface General Hospital – WD provided \$800,000 for two new laboratories at the Canadian Centre for Agri-Food Research in Health and Medicine in Winnipeg to support preclinical and clinical studies related to diet and health;
- Saskatchewan Research Council – WD invested \$740,000 to commercialize the processes involved in the rapid identification of Canadian wheat varieties;
- Alberta Terrestrial Imaging Centre (ATIC) – WD invested \$1.8 million to establish ATIC, attract highly qualified personnel, and build partnerships with academic, government and industrial end users; and
- Northern Alberta Institute of Technology (NAIT) – WD contributed \$6.7 million to procure and install specialized equipment for trades training facilities at NAIT.

## Lessons Learned

Currently, WD has a relatively small but stable group of innovation clients across the West. Investing in new sectors and stimulating new products, WD expects an increase in market-ready technologies. This will result in a greater number of new spin-off companies, attraction and increase of venture capital to new and existing firms, additional technology demonstrations, increase in sales of new products by firms to domestic and international markets, and more advanced technology products and services in the marketplace.

These new firms, as well as existing firms, require sufficient access to information and capital in order to cross the “Valley of Death”<sup>9</sup> and take products to domestic and international markets. To capitalize on its investments and ensure longer term growth in the innovation area, WD may consider additional initiatives to address these market shortcomings.

### 2.1.3 Program Activity: Community Economic Development

This program activity involves economic development and diversification initiatives that enable communities to sustain their economies and adjust to changing and challenging economic circumstances. It includes projects that help communities assess their strengths, weaknesses, opportunities, and potential for new economic activity. It also includes projects that provide assistance with the development and implementation of community plans. In order to respond effectively to the needs of Western Canada’s communities, WD collaborates with local partners to ensure that unique economic, social and environmental considerations are taken into account in initiatives designed to foster economic growth and development. This program activity also includes investments in public infrastructure, coordinated with provincial and municipal governments to maximize benefits. The process involves community-based consultations to ensure federal programs, services and horizontal initiatives serve the needs of western Canadian communities.

2010–11 Financial Resources (\$ thousands)			2010–11 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference <sup>2</sup>
58,031	58,592	46,547	76	41	35

<sup>9</sup> Bridging the Valley of Death: Lessons Learned From 14 Years of Commercialization of Technology Education, Barr, Barker, Markam & Kingon, September 2009.  
<http://aomarticles.metapress.com/content/648161621u33x2q1>

Expected Results	Performance Indicators	Targets	Performance Status
Communities have increased economic opportunities and capacity to respond to challenges, as well as the necessary investments in public infrastructure.	Employment: # of new jobs created	39,000 (growth at a slower rate)	Not met (17,847 – 2010 data)
	Net migration rate – international and domestic	95,000 (stable net migration)	Mostly Met (92,804 – 2010 data)
	Percentage of key informants with the opinion that WD delivery of infrastructure programs resulted in investments that reflect western Canadian infrastructure priorities	50%	To be measured again in 2014–15

## Performance Summary and Analysis of Program Activity

In order to capture the impact of its Community Economic Development (CED) activities, WD tracks job creation and the net migration rate as indicators of increased economic opportunities and communities' capacity to respond to challenges. In 2010, Western Canada had a net job gain of 17,847 which reflects a rebound from the global economic downturn, although not as high as targeted. Net migration (the change in population due to migration, ignoring birth rate) also grew at a rate slightly slower than targeted for 2010.

WD participates in an evaluation every five years to determine the impact of its investments in public infrastructure. The results for 2009–10 were mixed, with several key informants suggesting these investments should be more predictable, in support of municipal long-term capital plans. WD will conduct this survey again in 2014–15 to identify trends and issues.

## Activities

In 2010–11, WD approved six community economic development projects for new funding of \$3.1 million through the Western Diversification Program (WDP). WD's funding leveraged \$6.5 million from other sources.

The following is an example of a community economic development project approved in 2010–11:

- Ladysmith Maritime Society – WD invested \$807,000 to construct tourist visitor facilities at the Ladysmith Community Marina in British Columbia.

In addition, a significant proportion of WD's CED funding stems from the department's role as the western delivery agent of national programs, such as municipal infrastructure programs and CF, and from the support provided to FEDOs.

During 2010–11, WD was involved in the delivery of five infrastructure programs across the West: ICP, MRIF, CSIF, BCF-CC and BCF – Major Infrastructure Component. G&C funding for the latter four programs is provided through INFC’s appropriation and details on the results may be found in INFC’s Departmental Performance Report.

Four hundred and thirty-two projects were approved under BCF-CC across the West, which includes additional funding provided through the EAP.

Finally, WD is responsible for delivering a number of EAP initiatives in Western Canada. While these programs are being delivered under the CED program activity, a detailed explanation of these initiatives and WD’s planned EAP activities can be found in section 2.1.5.

## Impact

WD’s overall strategy for CED includes a multi-year approach to investments in order to increase economic opportunities and capacity to respond to challenges. As a result, many impacts realized in 2010–11 stem from previous years’ investments. Fifty-eight CED projects, which received \$30.2 million in WD funding, realized and reported final results during 2010–11. Collectively, these projects met 80 percent or greater of the targets set for five out of eight performance indicators (63 percent). Also, almost 90 percent of the projects (52 projects) met or exceeded their individual CED targets. The few shortfalls in project performance were mainly due to unforeseen provincial budget cuts, unanticipated projected costs or delays in approval processes that affected the results of the project. Overall, the 58 CED projects impacted numerous communities by developing comprehensive sets of programs and resources that provided entrepreneurial support; strengthened tourism; attracted businesses; enhanced development within urban, rural and First Nation communities; built stronger communities through technological advancements; and supported community development through growth in local businesses.

By sub-activity, the following results were achieved:

- **Community Planning** activities assist communities in strategic planning and management. Together, the two projects that realized final results under this sub-activity mostly met the targets for the two performance indicators (*# partnerships developed or maintained* and *# activities providing planning and leadership and expertise*).
- **Community Development** activities strengthen the viability of the local economy, enhancing community capacity and increasing the participation of community members by encouraging and supporting them to take responsibility for their own economic development. Collectively, the 56 projects that realized final results under this sub-activity exceeded the targets for four of the six performance indicators (*# businesses created or maintained or expanded*, *# instances of increased community stability*, *# instances of increased capacity in community organizations* and *# jobs created or maintained*). This suggests that, collectively, the projects performed moderately well. (For complete results, please refer to the table on WD’s public Web site: <http://www.wd-deo.gc.ca/eng/13099.asp>.)

A majority of the 58 CED projects (40) were funded through the Community Economic Diversification Initiative (CEDI), a component of the MPB program. This sub-program proved

to be moderately successful, with an 85 percent success rating for projects meeting their individual targets. These projects resulted in economic diversification, community capacity building, economic infrastructure and value-added production in the forestry industry.

The WCBSN also had a favourable impact on CED in western Canadian communities in 2010–11, in addition to their impact on Business Development, as detailed in the previous section. By sub-activity, results achieved by CFs and FEDOs in the CED program activity area included:

**Community Planning:**

- 6,602 projects improving leadership and/or expertise (target was 2,312)
- 11,421 community planning exercises (target was 247);
- 21,238 partnerships developed or maintained (target was 3,157); and
- 1, 074 instances of facilitating community involvement (target was 843).

**Community Development:**

- 670 instances of increased community stability (target was 427);
- 1,106 instances of increased capacity in community organizations (target was 904); and
- 524 enhanced community services or facilities (target was 395).

Among the 58 projects that realized final results in 2010–11 are several examples of those that exceeded expected results:

- Women Building Futures – WD invested \$267,000 to increase women’s access to pre-apprentice training in Alberta;
- Saskatoon Ideas Inc. – WD provided \$34,000 to develop an economic incubation model for the Whitecap-Dakota First Nation Reserve and the Saskatoon/Outlook region in Saskatchewan;
- Le Conseil de développement économique des municipalités bilingues du Manitoba (CDEM) – WD provided \$3.27 million in operating funding to CDEM as a member of the WCBSN to support community economic development and business services in Manitoba's bilingual communities. Services provided include information, training, mentoring, counselling, and entrepreneurship promotion;
- UNBC Mobile Terahertz Imaging System – WD invested \$520,000 to develop a mobile terahertz imaging system and demonstrate its application in the forest products industry in British Columbia;
- Tsilhqot'in National Government – WD invested \$244,000 to provide training for First Nations in British Columbia in the field of silviculture, and identify and develop silviculture business opportunities; and
- Britannia Beach Historical Society – WD invested \$5 million towards an \$8 million project to establish a mining industry visitor/interpretive centre involving the transformation of an abandoned mine in British Columbia.

With respect to **Community Infrastructure**, WD has fully expended its federal commitment of \$546 million under ICP, funding 1,622 infrastructure projects across the West and leveraging

\$1.623 billion in funding from other orders of government. (For complete ICP results, please refer to the table on WD's public Web site: <http://www.wd-deo.gc.ca/eng/13099.asp>.)

The following is an example of a **Community Infrastructure** project completed in 2010–11, which exceeded expected results:

- City of Edmonton – With \$3 million in funding from the Canada-Alberta Municipal Rural Infrastructure Fund, the City built the Kennedale Constructed Wetland, an artificial wetland to reduce the level of pollutants and bacteria flowing into the North Saskatchewan River from city storm water. The Federation of Canadian Municipalities recognized the Kennedale Constructed Wetland project with the 2010 Sustainable Community Award for Water.

## Lessons Learned

An [evaluation of the MPB program](#) was undertaken in 2010–11 which covered both program elements, CEDI and the Airport Improvement Initiative. The evaluation found that there was a major need for this type of programming, as many of the affected communities were small, rural, forest-dependent and lacking sufficient resources to cope with the economic, social and environmental effects of the mountain pine beetle infestation. It also concluded that most projects would not have proceeded in the absence of CEDI funding.

The MPB program evaluation also noted that approximately 100 (56 percent) of the 180 affected communities were First Nations, and identified the development of a joint [Aboriginal Engagement Strategy](#) by WD and the Central Interior First Nations CF as a best practice which enhanced the representation of First Nation communities in terms of the total number (32 percent) and total value (29 percent) of CEDI projects approved.

To meet their commitment to work together to improve the delivery of national infrastructure programs, in August 2010 WD and INFC signed a Service Level Agreement outlining the roles and responsibilities of each department in the delivery of BCF-CC. In addition, in 2010–11 the Regional Development Agencies and INFC formed a number of committees to discuss service delivery issues and facilitate the sharing of best practices.

As a result of strategic review in 2010, WD will also realize approximately \$4.6 million in savings from the Community Planning program activity under WDP. This will leave approximately \$1.8 million to fund community planning projects. The department is confident that through this sub-activity it will continue to meet the needs of communities and community development organizations.

### 2.1.4 Program Activity: Policy, Advocacy and Coordination

This program activity arises from the [Western Economic Diversification Act](#), which empowers the Minister to advance the interests of Western Canada in national economic policy, program and project development and implementation, through the establishment of cooperative relationships with the western provinces and other stakeholders, and through the initiation of

policy research. Through this program activity, WD provides a strong voice for Western Canada in national policy discussions, resulting in effective strategies, policies and programs to address the economic development needs and aspirations of Western Canada. This program activity also includes leading federal and intergovernmental collaboration to pursue key opportunities for long-term growth and diversification in areas of federal or shared federal-provincial jurisdiction. Finally, this program activity includes undertaking research and analysis required to inform policy and program decisions.

2010–11 Financial Resources (\$ thousands)			2010–11 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
8,873	9,465	8,583	60	60	0

Expected Results	Performance Indicators	Targets	Performance Status
Policies and programs that strengthen the western Canadian economy	Percentage of key informants with the opinion that WD activities provide policies and programs that support the economic development of Western Canada	90%	To be measured again in 2013–14
	Percentage of projects completed this fiscal year that successfully met or exceeded performance targets	85%	Exceeded (91% – 2010–11)

## Performance Summary and Analysis of Program Activity

In order to assess this program activity, WD conducts an [evaluation](#) every five years, which includes a survey of key informants. The 2008–09 survey results established benchmarks of 94 percent of informants with the opinion that WD activities provide policies that support the economic development of Western Canada and 95 percent with the opinion that WD activities provide programs that support economic development of Western Canada. WD will conduct this survey again in 2013–14 to identify trends and issues.

WD also tracks the percentage of projects, across all program areas, completed in a year that successfully meet or exceed performance targets, as an indication of how effective the department's overall policy and program efforts have been. As part of their analysis of a client's final progress report, WD project officers are required to assign a final outcome value against each performance target and assess the extent to which the project, as a whole, met expectations. The rationale for using an overall project success rating as a Policy, Advocacy and Coordination indicator is that the greater the percentage of projects which are judged to have been successful, the more likely it is that WD's advocacy, coordination and policy efforts in support of project development and implementation have been, and the more likely that WD investments are having a positive impact on the western Canadian economy. In 2010–11, 611 projects realized final results, of which 560 (92 percent) met or exceeded expectations.

## Collaboration and Coordination

Specific results attributable to this program activity include collaboration and coordination efforts in uniting key players in areas that contribute to economic development, such as organization and participation in the Senior Officials Forum on Innovation, leading and participating on regional federal councils, and supporting active regional trade networks in Alberta, Saskatchewan and Manitoba.

WD supports economic development initiatives with each of the four provinces through [Western Economic Partnership Agreements](#) (WEPAs). The overall results of the WEPAs are presented in this section of WD's DPR because development, management and implementation of the agreements involve continuous collaboration and coordination activities. Highlights of results achieved include the approval of 27 projects, totalling \$25.7 million in WD funding, and continued strong intergovernmental relationships between WD and the western provinces, which support mutual priorities across Western Canada.

Examples of projects supporting collaboration efforts include:

- Collaboration with [Yes! Winnipeg](#) to identify specific business attraction, retention and expansion opportunities, and promote information and knowledge exchange;
- Engagement with the federal [Pacific Gateway Coordination group](#), responsible for the overall coordination of the [Asia Pacific Gateway and Corridor Initiative](#), to identify new areas for collaboration and support; and
- Promotion of investment and partnership opportunities available in Western Canada at the Annual General Meeting of the [Inter-American Development Bank](#).

## Advocacy

In 2010–11, WD undertook a number of IRB initiatives to improve access by western Canadians firms to major Crown projects, including:

- Hosting a number of information sessions to assist western Canadian firms pursuing [IRB](#) contracts;
- Arranging business-to-business matchmaking sessions and supplier development missions for prime contractors and western SMEs;
- Organizing a ministerial-led delegation to the [Farnborough International Air Show](#) in England to secure commitments from senior executives of multinationals with IRB obligations in Canada to work in partnership with WD on IRB opportunities;
- Representing the West in Senior Project Advisory Committee meetings for IRB projects over \$100 million, IRB bid evaluations, the development of enhancements to Industry Canada's IRB policy, and federal initiatives such as the [National Shipbuilding Procurement Strategy](#) and the [Joint Strike Fighter program](#); and
- Chairing the Federal and Western Provincial Officials Procurement and IRB Working Group.



## Research and Analysis

In 2010–11, WD released six research studies which were funded to increase the understanding of opportunities, issues or challenges that affect Western Canada, including:

- [Through the Gateway: Unlocking Western Canada's Potential for Economic Diversification by Expanding Trade with Asia-Pacific](#), a study that assesses the extent to which trade with the Asia-Pacific region has resulted in trade diversification in Western Canada, and identifies opportunities and future policy issues; and
- [The Green Grail: Economic Diversification and the Green Economy in Western Canada](#), a paper that examines the current and potential impact between the green economy (defined as economic activity that is directly related to improving environmental sustainability) and the diversification of the western Canadian economy. It suggests that green products, services and processes have the potential to both grow and diversify the economy.

## Lessons Learned

WD's engagement in federal government and industry initiatives ensured western regional economic needs and priorities were considered in national decision-making and any potential negative impacts were addressed. WD needs to continue building connections with key players to increase the awareness of western Canadian interests and perspectives on issues of importance to Western Canada. In addition, WD needs to be a leader in identifying western Canadian economic priorities, and engage partners to address these priorities. To this end, WD is developing a Strategic Policy Framework which identifies these priorities and outlines plans to address them. This formalized framework was identified as a tool that would lead to a more targeted approach to Policy, Advocacy and Coordination activities within and across regions. It will support targeted research activities, which will enable WD to better assess emerging issues to ensure policies and programs remain relevant for western interests, and improve coordination in managing national and regional economic development priorities to enhance WD's advocacy efforts.

### 2.1.5 Program Activity: Canada's Economic Action Plan

Announced in Budget 2009, CAF and RInC are part of Canada's Economic Action Plan (EAP). The EAP addressed the short-term economic needs of Canadian communities impacted by the global recession. CAF provided \$1 billion nationally over two years to support projects that created jobs and maintained employment in and around communities that experienced significant job losses and lacked alternative employment opportunities. RInC invested \$500 million in recreational facilities across Canada, creating jobs while renewing, upgrading and expanding recreational infrastructure in Canadian communities. WD is responsible for the delivery of these programs in Western Canada.

WD also delivered two other EAP initiatives announced in Budget 2009: BCF-CC<sup>10</sup> Top-Up and the CBN renewal.

2010–11 Financial Resources (\$ thousands)			2010–11 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending <sup>4</sup>	Planned	Actual	Difference
245,022	283,122	262,454	88	91	-3

Expected Results	Performance Indicators	Targets	Performance Status
Successful community adjustment to mitigate economic crises	Number of jobs created or maintained (CAF)	3,408	Mostly Met (3,244)
	Number of public-private partnerships (CAF)	28	Exceeded (144)
	Number of businesses created, maintained or expanded (CAF)	250	Exceeded (544)
	Number of participants trained (CAF)	846	Mostly met (815)
	Number of new and improved local infrastructure elements (RInC)	922	Somewhat Met (706)
	Number of jobs created or maintained (RInC)	2,024	Mostly Met (1,933)
	Total infrastructure funding expended (federal, provincial, municipal and private – as a proxy for local economic stimulus) (RInC)	\$258.6 million	Exceeded (\$293.4 million)

### Performance Summary and Analysis of Program Activity

In order to capture the impact of its EAP activities, WD tracks the number of jobs created by both CAF and RInC, the number of business created and the number of participants trained through CAF, as well as the number of local infrastructure elements and the total infrastructure funding expended by all parties through RInC. It is anticipated that the overall CAF targets of 5,238 jobs created and 1,812 participants trained will be met once all projects have reported final

<sup>10</sup> Details on the results can be found in INFC's Departmental Performance Report.

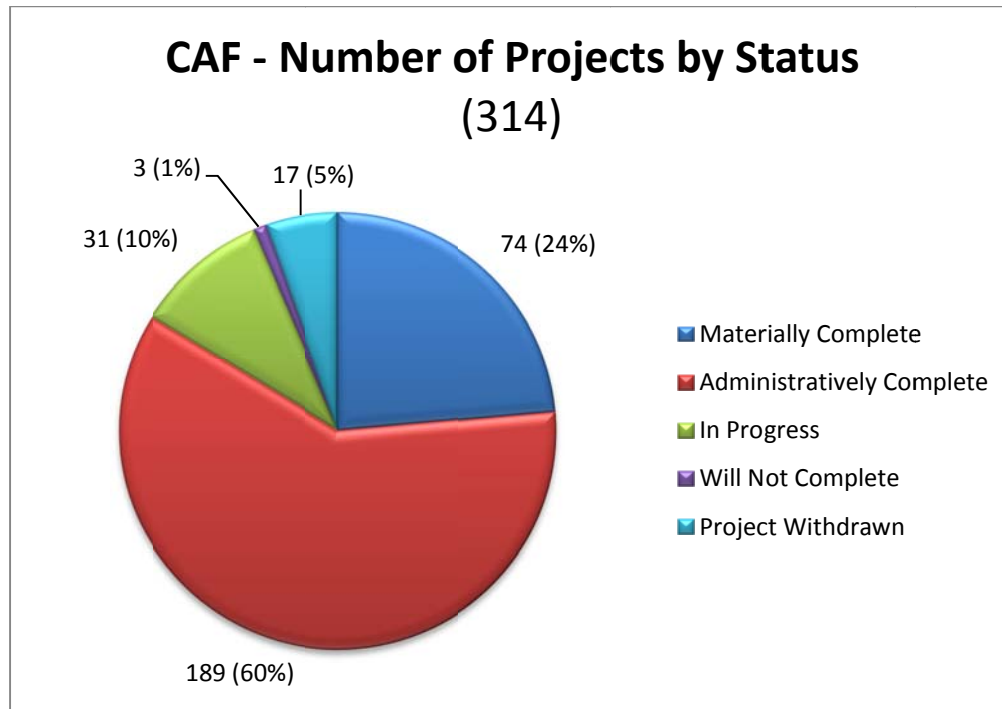
results. CAF exceeded its targets for 2010–11 for number of public-private partnerships, number of businesses created and number of participants trained. Similarly, because this program has been extended until October 31, 2011, it is anticipated that the overall RInC targets of 3,029 jobs created and 1,384 infrastructure elements will be met. RInC exceeded its target for total infrastructure funding expended by all parties, which is used as a proxy for local economic stimulus.

## Activities

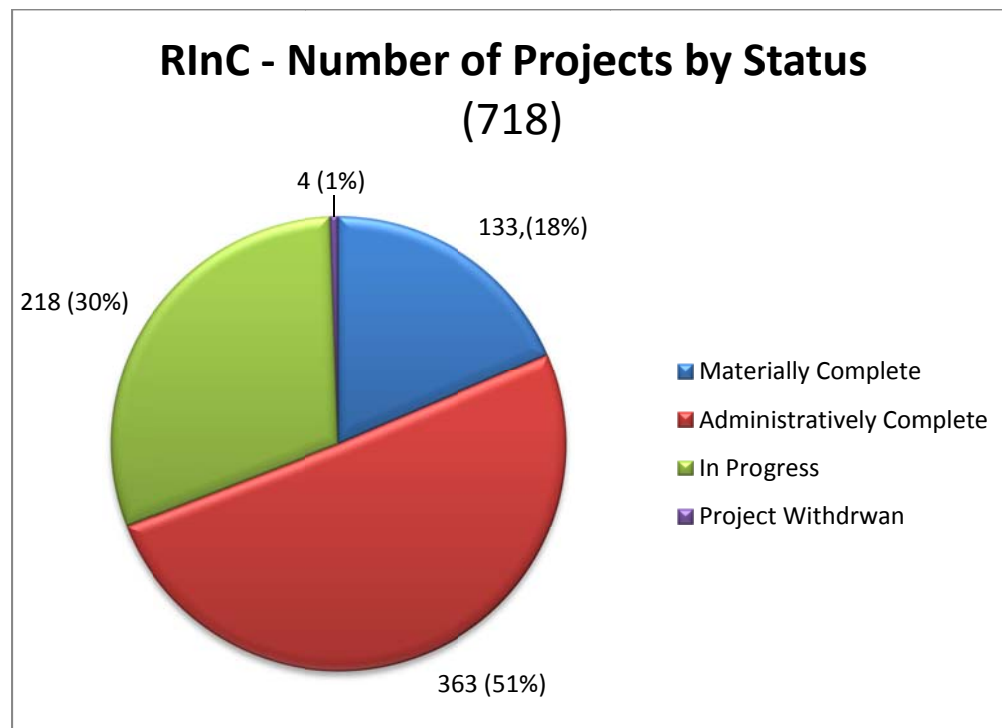
As of March 31, 2011, WD had approved funding of \$291.9 million for 314 CAF projects, of which \$3.9 million (26 projects) was approved in 2010–11. WD has also approved funding of \$149 million for 718 RInC projects in Western Canada, all of which were approved previously in 2009–10. WD has committed 100 percent of federal funding allocated for CAF and RInC in Western Canada.

With all program funds fully committed under CAF and RInC, the priority for 2010–11 was to work with clients to ensure projects were being implemented as scheduled, gather the results of completed projects and implement extensions for those projects which required an additional construction season to complete successfully.

CAF projects were required to be materially complete by March 31, 2011, meaning that the project or a substantial part of it had to be ready for use or being used for the purpose intended. Throughout the last year, WD worked closely with project proponents to help them meet their completion date targets. As a result, 263 CAF projects (88.6 percent) were materially or administratively complete as of March 31, 2011. Of the remaining projects, 31 projects will complete by December 31, 2011 using other sources of funding. (These projects had fully expended WD's contribution as of March 31, 2011.) The remaining three projects, representing approximately one percent of all CAF projects, are not expected to complete. (Please refer to the CAF chart, below.)



During 2010–11, the Government of Canada extended four key infrastructure programs, including RInC, to October 31, 2011. As of March 31, 2011, 396 RInC projects (64.1 percent) were materially or administratively complete; 199 RInC projects have been extended in Western Canada and will complete on or before October 31, 2011. (Please refer to the RInC chart, below.)



In 2010–11, WD delivered BCF in partnership with INFC and the four western provincial governments. 165 BCF-CC Top-Up projects have been approved across the West. Budget 2009 also provided \$15 million annually for the renewal of the national CBN, which provides small businesses with information on government services, programs and compliance requirements. WD received \$4 million annually to deliver this program in Western Canada.

## Impact

Cumulatively, CAF has exceeded expected results against four of its five performance targets (*business creation, public-private partnerships, training courses developed, and participants trained*). In addition, it is anticipated that CAF will meet its job creation target, as noted above. Cumulatively, it is anticipated that RInC will meet all three of its performance targets (*infrastructure elements, job creation, and total infrastructure expenditure by all parties*). (For complete results, please refer to the table on WD’s public Web site: <http://www.wd-deo.gc.ca/eng/13099.asp>.)

CAF project successes over the past year include job creation across the West in various sectors such as forestry, mining, agriculture and tourism. Specific examples of CAF success stories are included in WD’s “Success in the West” newsletters: <http://www.wd-deo.gc.ca/eng/12454.asp>.

Under RInC, WD has assisted in the construction of recreational infrastructure in communities across Western Canada, including arenas, swimming pools, gymnasiums, multi-purpose facilities, sports fields and trails. Specific project examples can also be found in the “Success in the West” newsletters: <http://www.wd-deo.gc.ca/eng/12454.asp>.

## Lessons Learned

WD employed a number of different delivery models for CAF and RInC, including the use of a Request for Proposals to quickly identify potential projects, and agreements with other levels of government and non-government third parties. Given the time pressure and scrutiny the department was under, these alternate delivery mechanisms along with continuous monitoring of project progress, cash flow and program results were critical to ensuring the success of CAF and RInC. An analysis of the EAP delivery models and lessons learned is currently underway in order for the successful approaches to be applied to other programs.

WD’s ability to effectively deliver major short-term programs was recognized in the [2010 Fall Report by the Auditor General of Canada](#), which stated that “the government has adequately managed these selected programs by putting in place appropriate management practices and providing programs to eligible recipients in a timely manner.” WD’s assessment of CAF and RInC delivery will inform the delivery of future initiatives.

### 2.1.6 Program Activity: Internal Services

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal Services include only those activities and resources that apply across WD and not to those provided specifically to another program activity. This program activity supports all of WD's strategic

outcomes. Internal Services includes governance and management support (such as audit services), resource management services (such as human resources and financial management) and asset management services (such as acquisitions).

2010–11 Financial Resources (\$ thousands)			2010–11 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference <sup>2</sup>
18,420	19,709	27,606	131	198	-67

Commencing in the 2009–10 Estimates cycle, the resources for the Internal Services program activity are displayed separately, rather than being distributed among the other program activities, as was the case in the previous Main Estimates. This has impacted the comparability of financial and human resources information by program activity between fiscal years.

The increase in actual FTEs is tied to two events that occurred during the fiscal year:

- Increased governance and oversight, financial and human resource management, and technology services, including changes to the departmental project management system for the delivery of EAP initiatives; and
- A revised direct coding policy for operational resources that was implemented April 1, 2009 to improve the accuracy of reporting.

## Lessons Learned

As a result of strategic review 2010, the department has also identified improvements to internal services that will also lead to an estimated \$675,000 in savings. Overall, WD's reallocation proposals may affect up to 11 positions over the next three years. The department is confident that this can be met through file reassignment or attrition.

## Section III: Supplementary Information

### Financial Highlights

The financial highlights presented within this Departmental Performance Report are intended to serve as a general overview of WD's financial position and operations.

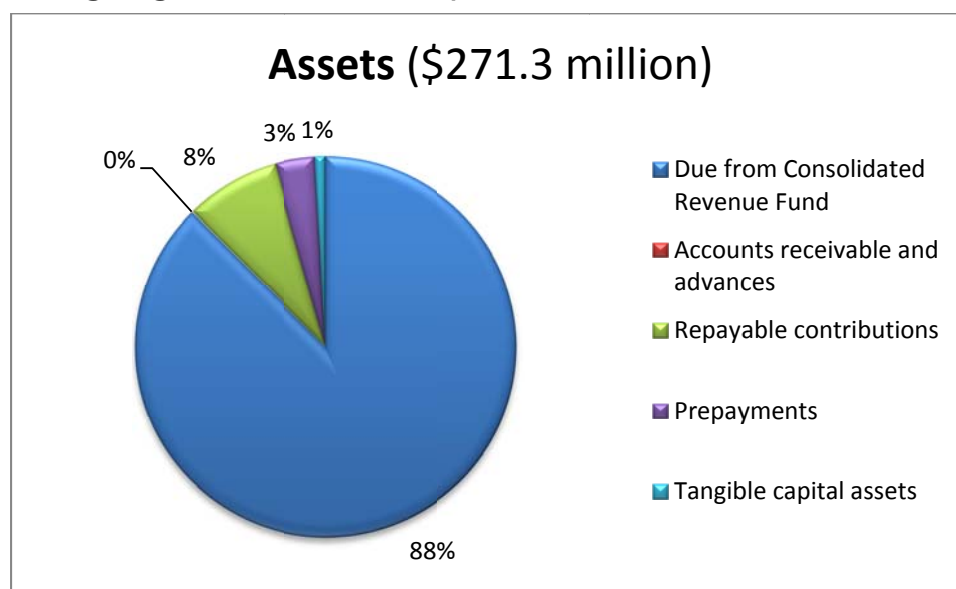
(\$ thousands)

<b>Condensed Statement of Financial Position</b> At end of Fiscal Year (March 31, 2011)	<b>% Change</b>	<b>2009–10</b> <b>(restated)<sup>11</sup></b>	<b>2010–11</b>
Total Assets	24%	219,242	271,286
Total Liabilities	26%	195,522	246,957
Equity of Canada	2%	23,720	24,329
	24%	219,242	271,286

(\$ thousands)

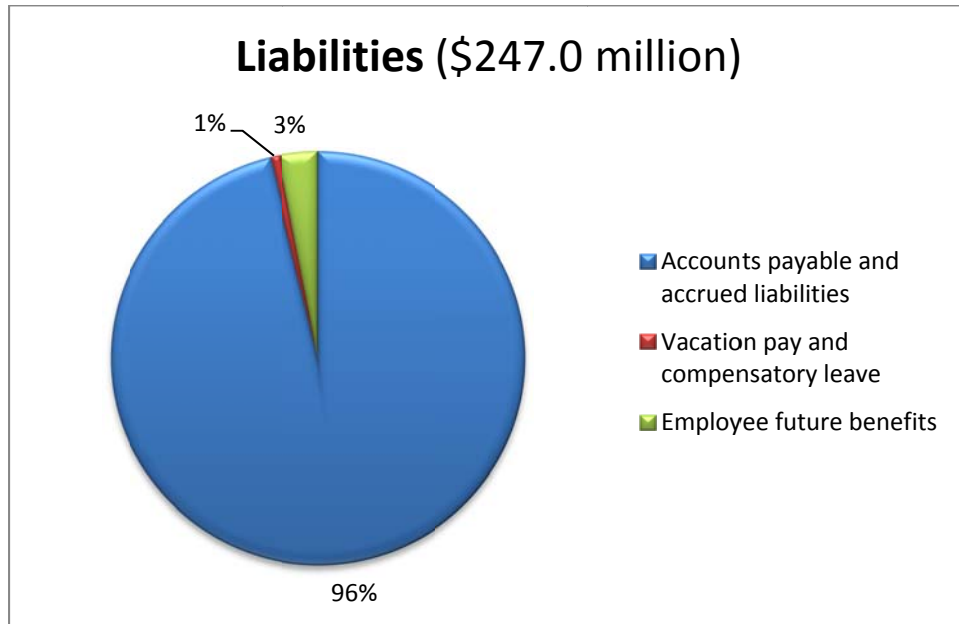
<b>Condensed Statement of Operations</b> At end of Fiscal Year (March 31, 2011)	<b>% Change</b>	<b>2009–10</b>	<b>2010–11</b>
Total expenses	12%	415,074	464,509
Total revenues	-74%	2,720	712
<b>Net cost of operations</b>	12%	412,354	463,797

### Financial Highlights Charts/Graphs



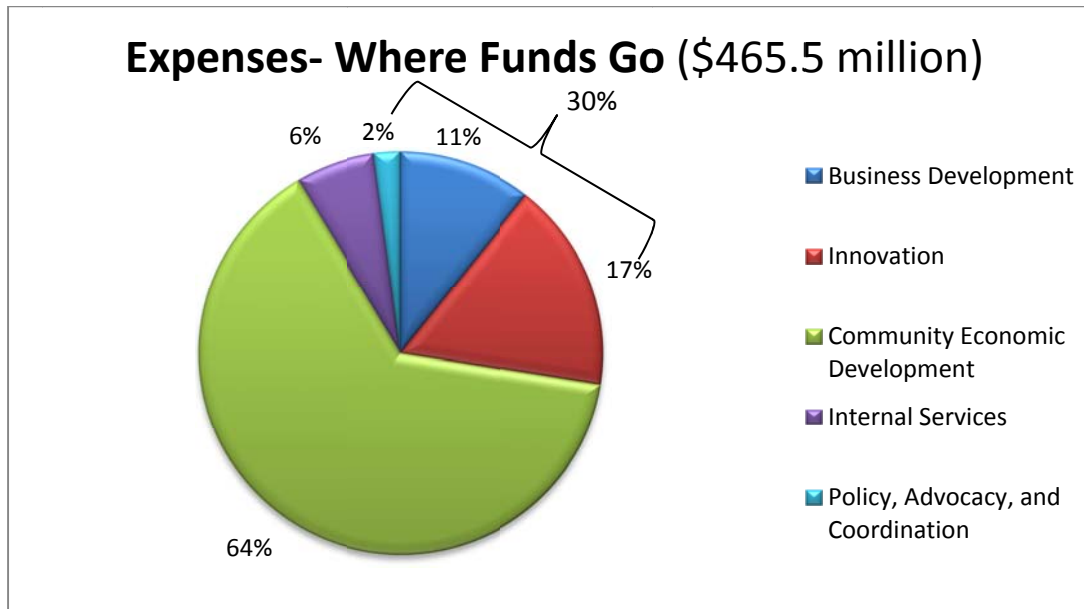
<sup>11</sup> Treasury Board Secretariat now requires WD to record amounts due from the Consolidated Revenue Fund as an asset on the Statement of Financial Position. This change in policy reflects an increase year-over-year in both financial assets and the equity of Canada. Fiscal year 2009–10 has been restated accordingly.

**Total Assets** were \$271.3 million at the end of 2010–11, an increase of \$52.1 million (24 percent) over the previous year’s total assets of \$219.2 million. The increase can be attributed to the changes in accounting policy which stipulates that total assets include amounts due from the Consolidated Revenue Fund.



**Total Liabilities** were \$247.0 million at the end of 2010–11, an increase of \$51.5 million (26 percent) over the previous year’s total liabilities of \$195.5 million. This increase is primarily related to the incremental infrastructure programs, for which WD establishes accounts payable at the end of the fiscal year in anticipation of project claims.





**Total Expenses** for WD were \$464.5 million in 2010–11, an increase of \$49.4 million. The increase year over year is attributed to an increase in transfer payments, primarily related to the EAP. Community Economic Development reflects 64 percent of expenses (\$296.7 million), most of which can be attributed to the EAP. Thirty percent of total expenses (\$137.9 million) contributed towards Business Development; Innovation; and Policy, Advocacy and Coordination. The remaining six percent (\$29.9 million) relates to Internal Services.

## Financial Statements

Financial statements are prepared on an accrual basis and updated Treasury Board Secretariat accounting policies. WD's unaudited financial statements can be found on its website at: <http://www.wd-deo.gc.ca/eng/59.asp>.

## List of Supplementary Information Tables

The following supplementary information tables for 2010–11 may be found on the Treasury Board of Canada Secretariat's Web site at: <http://www.tbs-sct.gc.ca/dpr-rmr/2010-2011/index-eng.asp>:

- ▶ Sources of Respendable and Non-Respendable Revenue
- ▶ User Fees Reporting
- ▶ Details on Transfer Payment Programs
- ▶ Up-Front Multi-Year Funding
- ▶ Horizontal Initiatives
- ▶ Green Procurement
- ▶ Response to Parliamentary Committees and External Audits
- ▶ Internal Audits and Evaluations.

Table 1: 2010–11 G&amp;C Expenditures by Activity

2010–11 (\$ thousands)	Business Development	Innovation	Community Economic Development	Policy, Advocacy and Coordination	TOTAL
<b>Western Diversification Program</b>					
Alberta/Saskatchewan Centenaries	–	–	6,200	–	6,200
Community Adjustment Fund*	–	–	154,906	–	154,906
Regina Development Agreement	–	–	1,332	–	1,332
Saskatoon Development Agreement	–	–	252	–	252
Vancouver Development Agreement	–	–	54	–	54
Economic Development Initiative	–	–	696	–	696
Entrepreneurs with Disabilities Program	1,496	–	–	–	1,496
Francophone Economic Development Organizations	1,079	–	1,101	–	2,180
Francophone Economic Development	–	–	31	–	31
Mountain Pine Beetle	–	–	7,234	–	7,234
Conference Support Payments	30	–	6	–	36
Women's Enterprise Initiative	4,468	–	–	–	4,468
Rick Hansen Foundation	–	4,500	–	–	4,500
Intervac – Western Diversification Program	–	10,242	–	–	10,242
Western Diversification Program	6,397	41,005	14,833	317	62,552
Western Economic Partnership Agreement Round III	9,902	17,523	97	–	27,522
Winnipeg Partnership Agreement	–	–	–	–	–
<b>Total Western Diversification Program</b>	<b>23,372</b>	<b>73,270</b>	<b>186,742</b>	<b>317</b>	<b>283,701</b>
<b>Loan and Investment Program</b>					
	1,159	–	–	–	1,159
Community Futures – Operating	14,194	–	14,156	–	28,350
Community Futures – Capitalization	20	–	–	–	20
Community Futures – Networking Organizations	437	–	438	–	875
<b>Total Community Futures Program</b>	<b>14,651</b>	<b>–</b>	<b>14,594</b>	<b>–</b>	<b>29,245</b>
<b>Recreational Infrastructure Canada Program*</b>					
	–	–	91,086	–	91,086
Infrastructure Canada Program	–	–	167	–	167
<b>TOTAL G&amp;C</b>	<b>39,183</b>	<b>73,270</b>	<b>292,588</b>	<b>317</b>	<b>405,358</b>

**Note:** Total differences are due to rounding.

\* These programs were components of Canada's Economic Action Plan.

## Section IV: Other Items of Interest

### Organizational Contact Information

**E-mail Address:** [info@wd-deo.gc.ca](mailto:info@wd-deo.gc.ca)

**Mailing Address:** Suite 1500, 9700 Jasper Avenue, Edmonton, Alberta T5J 4H7

**Telephone:** 780-495-4164

**Toll Free:** 1-888-338-WEST (9378)

**Teletypewriter (TTY):** 1-877-303-3388

**Fax:** 780-495-4557

### Section 41, Official Languages Act

In 2010–11, WD continued to work with other federal departments to deliver EDI, as part of the federal “Roadmap for Canada's Linguistic Duality 2008–2013: Acting for the Future”. For more information about EDI, and WD’s other efforts related to the Official Languages Act, please see: [Status Reports on the Implementation of Section 41 of the Official Languages Act](#).

### List of Acronyms

<b>ASC</b>	Alberta Saskatchewan Centenaries
<b>ATIC</b>	Alberta Terrestrial Imaging Centre
<b>BCF</b>	Building Canada Fund
<b>BCF-CC</b>	Building Canada Fund-Communities Component
<b>BERD</b>	Business expenditure on research and development
<b>CAF</b>	Community Adjustment Fund
<b>CBN</b>	Canada Business Network
<b>CDEM</b>	Le Conseil de développement économique des municipalités bilingues du Manitoba
<b>CED</b>	Community Economic Development
<b>CEDI</b>	Community Economic Development Initiative
<b>CF</b>	Community Futures
<b>CSIF</b>	Canada Strategic Infrastructure Fund
<b>DES</b>	Digital Economy Strategy
<b>DPR</b>	Departmental Performance Report
<b>EAP</b>	Economic Action Plan
<b>EDI</b>	Economic Development Initiative
<b>EDP</b>	Entrepreneurs with Disabilities Program
<b>FTE</b>	Full-time equivalent (jobs)
<b>FEDO</b>	Francophone Economic Development Organizations
<b>G&amp;C</b>	Grants and contributions
<b>GDP</b>	Gross Domestic Product
<b>GERD</b>	Gross Domestic Expenditures on Research and Development
<b>GRAND</b>	Graphics, Animation and New Media Network of Centres of Excellence
<b>ICP</b>	Infrastructure Canada Program
<b>ICT</b>	Information and Communications Technologies

<b>INFC</b>	Infrastructure Canada
<b>IP</b>	Intellectual property
<b>IRB</b>	Industrial and Regional Benefits
<b>LIP</b>	Loan and Investment Program
<b>MPB</b>	Mountain Pine Beetle
<b>MRIF</b>	Municipal Rural Infrastructure Fund
<b>NAIT</b>	Northern Alberta Institute of Technology
<b>NAPP</b>	North American Platform Program
<b>PAA</b>	Program Activity Architecture
<b>R&amp;D</b>	Research and development
<b>RInC</b>	Recreational Infrastructure Canada program
<b>RPP</b>	Report on Plans and Priorities
<b>SME</b>	Small and medium enterprises
<b>US</b>	United States
<b>WCBSN</b>	Western Canada Business Service Network
<b>WD</b>	Western Economic Diversification Canada
<b>WDP</b>	Western Diversification Program
<b>WEPA</b>	Western Economic Partnership Agreements