



Western Economic
Diversification Canada

Diversification de l'économie
de l'Ouest Canada



Western Economic Diversification Canada

CORPORATE BUSINESS PLAN

2011–2012

Message from the Deputy Minister

I am pleased to introduce the Corporate Business Plan for Western Economic Diversification Canada (WD) for 2011–12. This plan provides a comprehensive overview of the WD program activities and priorities that guide our work and frame our planning.

For nearly 25 years, WD has worked diligently to help western Canadians create an innovative and diversified economy. Over this time, the department has developed a deep understanding of western Canadian issues and it has developed and adapted programs in the face of changing economic circumstances and shifting government priorities.

A strong local presence in each region not only positions the department strategically to make focused investments, but it also enables us to play a key role in the rollout of national programs. Most recently, WD was challenged with delivering key programs under Canada's Economic Action Plan (EAP) to help combat the global economic downturn. Our dedicated staff met this challenge head-on and anchored the successful delivery of these important programs in Western Canada. As Canada's EAP winds down in 2011–12, the department will continue to ensure the efficient and accountable administration of projects and expenditures.

Fiscal year 2011–12 presents an excellent opportunity for the department to refocus on our core work—supporting western businesses, fostering innovation and strengthening local communities—and to ensure that our efforts advance the interests of Western Canada. Our priorities will continue to align with the federal agenda and focus on getting innovative products to market; improving the productivity and competitiveness of small and medium-sized enterprises; and enhancing trade and investment opportunities.

In the coming year, the department will also build on previous work dedicated to improving internal services and to supporting management excellence. We will continue to assess our programs and operations, as well as explore the development and delivery of innovative new programs. The department will introduce a new policy framework and investment strategy to guide our work on key files and priorities. To support these efforts, WD is also implementing an integrated departmental communications strategy to maximize the visibility of WD's core programs with key stakeholders and help people understand our business.

WD's successes are a testament to outstanding work of our dedicated and innovative staff. As we move into a very exciting year for the department, we will continue to recruit and retain the best and brightest to deliver on our priorities and strengthen the West.

Together, we are building a stronger West for a stronger Canada.

Daniel Watson
Deputy Minister, Western Economic Diversification Canada

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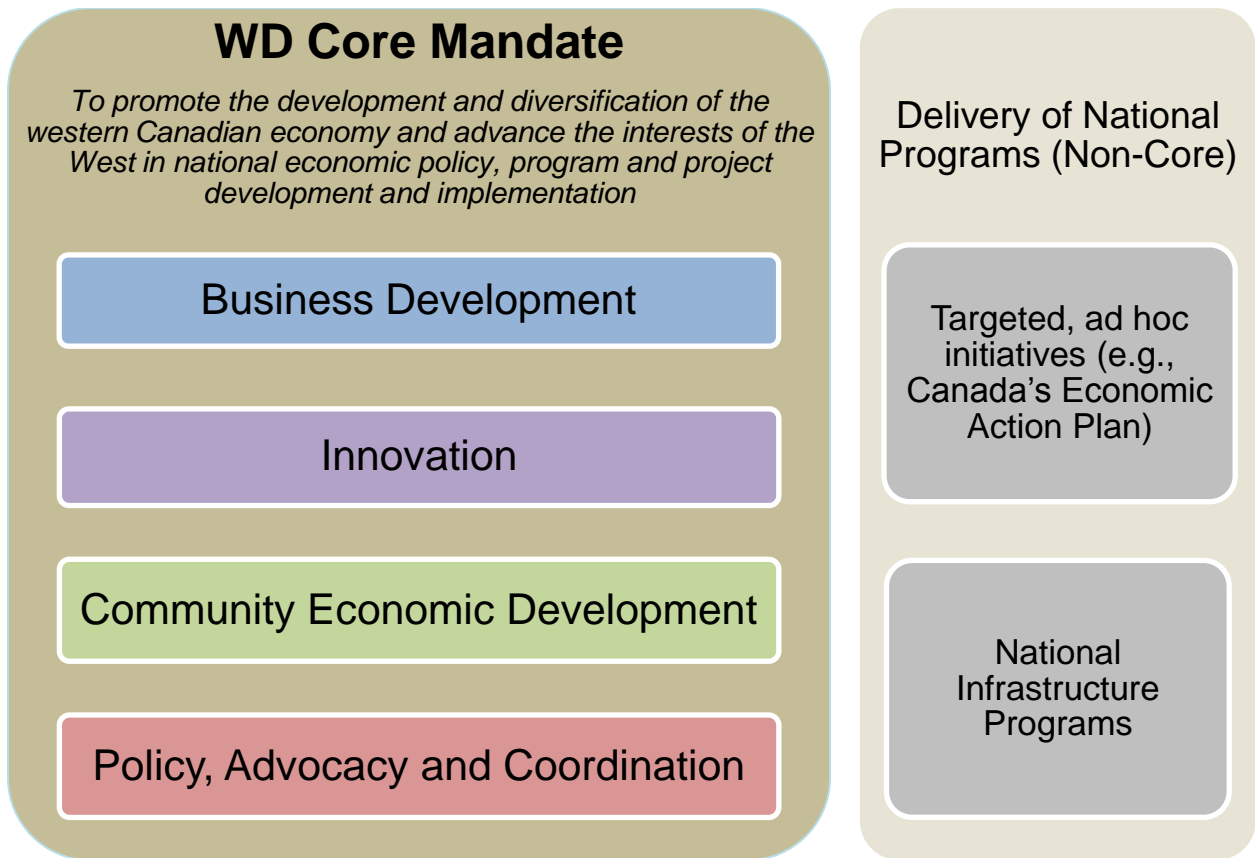
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1. Introduction

The Western Economic Diversification Canada (WD) Corporate Business Plan (CBP) communicates the department’s priorities, program activities and commitments to staff and stakeholders. The Plan is aligned with WD’s annual [Report on Plans and Priorities](#) for 2011–12, which presents WD’s plans and commitments to Parliament. The CBP also describes how the department carries out its work by describing the governance structure and corporate functions and services that support the department’s operations.

The Corporate Business Plan is an important communications and management tool for WD managers. It also communicates departmental plans, priorities and commitments to staff, partners and stakeholders.

Reporting on targets and strategies identified in this plan will enable WD management to monitor departmental activities and performance and make course corrections as required.



2. About Western Economic Diversification

Western Economic Diversification Canada (WD) is the federal government's regional economic development agency in the West. Established in 1987, WD is responsible for strengthening, diversifying and expanding the economy of Western Canada.¹ Today, with the challenges of a shifting global economy, WD's contributions have become more important than ever.

WD's [programs](#)² strengthen:

Business Development – Helping small and medium-sized enterprises (SMEs) become more innovative, grow faster, create value-added jobs and compete in global markets.

Each year, WD's Western Canada Business Service Network³ provides thousands of western entrepreneurs with the information, training and capital they need to start and grow successful ventures. Other initiatives, like the 2010 Partnership Investment Program, focus on strengthening international trade and investment. Taking advantage of the unique opportunity arising from the 2010 Olympics, the program brought representatives of more than 70 global companies to Vancouver, spurring partnerships with regional firms that created \$60 million in business deals over the first two months.

Innovation – Promoting the growth of a stronger, sustainable knowledge-based economy. The department's investments have acted as a catalyst in the development of a wide range of technology clusters, including life sciences in British Columbia, nanotechnology in Alberta, light source technology in Saskatchewan and composite materials in Manitoba. Last year alone, technology commercialization projects supported by WD were expected to result in 180 technologies brought to the marketplace. These innovations create exciting new opportunities in the West and provide the foundation for future economic growth and diversification.

Community Economic Development – Helping rural and urban communities adjust to changing economic circumstances, invest in public infrastructure and sustain their local economies. Many western communities, particularly in rural areas, remain heavily dependent on volatile resource sectors. Community Futures organizations, supported by WD in the West, play an important role in economic and community development initiatives to help rural communities remain competitive in a changing global economy.

Policy, Advocacy and Coordination – Bringing western perspectives to federal policies and programs to diversify and strengthen the western Canadian economy. Another strength of WD is its in-depth understanding of western Canadian issues and perspectives as well as its connections to other federal government departments, both in Ottawa and in the West. This allows the department to act as a bridge

WD's Mandate

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

¹ WD was established under the [Western Economic Diversification Act](#).

² <http://www.wd-deo.gc.ca/eng/16.asp>

³ The Western Canada Business Service Network comprises 90 Community Futures organizations, four Women's Enterprise Centres, four Francophone Economic Development Organizations and four Canada Business service centres.

between the perspectives of the West and Canada's policy and decision makers. WD brings Government of Canada programs and expertise to Western Canada, brings western Canadian interests to the fore with other government departments and works within the federal system to ensure that those perspectives are brought to bear in federal decision making.

A key strength of WD is its location: it is a federal department located in the West, in each of the four western provinces and with its headquarters in Edmonton. WD's presence in each western province has enabled it to work with key partners—provincial and local governments, community and business leaders, research and academic institutions as well as non-profit organizations—to leverage its investments and actions to benefit the western economy.

WD's strong connections in the West also enable the department to deliver programs on behalf of the Government of Canada. This includes two key components of Canada's Economic Action Plan: the [Recreational Infrastructure Canada program](#)⁴ and the [Community Adjustment Fund](#),⁵ which have created and maintained jobs in western Canadian communities to help the region recover from the last global recession. WD played a key role in the design of these programs to ensure that the unique regional needs of the West were incorporated. WD continues to deliver other key federal infrastructure programs, such as the Building Canada Fund-Communities Component. Historically, WD has delivered federal community adjustment programs such as Mountain Pine Beetle programs, as well as the legacy infrastructure component of federal funding for the Alberta and Saskatchewan Centennials.

WD is well positioned to continue to strengthen, diversify and expand the economy of Western Canada, to deliver high calibre federal programming and to work with national policy and decision makers to enhance understanding of western interests and perspectives. The depth and breadth of its relationships with key western partners will continue to add value to the work that the department undertakes. WD's broad and flexible mandate allows the department to respond quickly to federal priorities and the needs of Western Canada and bring leadership and coordination to the federal agenda in Western Canada.

⁴ <http://www.wd.gc.ca/eng/11264.asp>

⁵ <http://www.wd.gc.ca/eng/11269.asp>

3. Operating Context

The Western Canadian Economic Environment

The economic conditions in Western Canada are fundamentally strong. Growing diversification of export markets and a strong demand for commodities have powered the economic recovery in commodity-rich Western Canada. Western Canada's gross domestic product (GDP) accounts for 36 percent of the Canadian economy, approximately equal to that of Ontario. While the four provincial economies are quite distinct, real GDP growth for 2011 is expected to be strong across the region (Saskatchewan at 4.3 percent, Alberta at 4.2 percent, Manitoba at 3.3 percent and British Columbia at 2.6 percent). While the United States remains the top export market for western Canadian products and services, emerging markets have become important sources of trade and investment for Western Canada.

Some factors will shape Western Canada's economic performance going forward. A strengthening US economy is expected to support growth in Canada's manufacturing and export oriented sectors. The high Canadian dollar, especially relative to the US dollar, will continue to represent a short-term challenge for exporters, especially in manufacturing; however, the high dollar also provides an opportunity for firms to import machinery and equipment at a lower cost. Further, commodity prices are expected to remain firm in 2011, which will fuel investment in the oil sands and other natural resource sectors. Strong to moderate employment growth is expected for all of Western Canada in 2011, with Saskatchewan, Alberta and British Columbia receiving strong in-migration from parts of Central and Eastern Canada.

Strong growth is projected for the western Canadian economy in the year ahead.

While the West's natural resources are expected to provide a strong foundation for future economic growth, resource-driven growth has masked fundamental challenges facing Western Canada's long-term economic prospects. The strong economic performance of many fast-growing economies such as China, Korea, India and Brazil, while providing significant market opportunities, is eroding the competitive position of many western Canadian firms. Western Canadian businesses have comparatively low levels

But there are challenges facing Western Canada's long-term economic prospects.

of investment in research and development (R&D) and slower rates of adoption of new technologies and equipment, particularly outside of the major resource sectors. This has contributed to declining competitiveness and slow productivity growth compared to Western Canada's competitors.

Western Canada's economic growth is anchored by the natural resources sector, which has supported the creation of industry clusters in sectors such as mining, forestry, oil and gas and agriculture. To maintain the competitive position of western Canadian businesses and increase the value they create in Western Canada, Western Economic Diversification Canada (WD) invests in projects and activities that help businesses increase their productivity and competitiveness through the development, adoption and commercialization of new technologies and business processes. The department also helps businesses increase the economic output of these sectors through support for higher value-added production and

access to international markets. WD also promotes growth and development in emerging and knowledge-based sectors in the West such as new media, life sciences, aerospace and defence.

Canada—Western Canada, in particular—has had less success in commercializing technologies than desired, despite an emergence of knowledge-based industries and expansion of R&D capacity and infrastructure. To be competitive in the global marketplace as well as foster and stimulate growth domestically, western Canadian businesses need to develop and commercialize new goods and services. WD, in 2011–12, will continue its strong support for projects and programs that accelerate the commercialization and manufacture of new technologies that would otherwise be sourced outside of Canada.

International trade is critical for Western Canada to overcome the limitations imposed by a small domestic economy, gain access to international markets and capital and improve business innovation. Foreign direct investment can address gaps in risk capital in Canada by providing access to the financial base of parent companies, an important way to provide greater access to funding for R&D and technology commercialization. In 2011–12, WD will continue to work with western small and medium-sized enterprises (SMEs), industry associations and research facilities to improve access to global value chains, attract foreign direct investment and strengthen their international R&D partnerships, helping western SMEs complement their existing global market penetration with a solid presence in emerging markets.

As Canada's regional economic development agency in Western Canada, WD's strategic direction is aligned with Government of Canada priorities and advances federal economic priorities in the West—such as innovation, productivity and green technology—that are articulated in strategies and policies such as [Advantage Canada](#)⁶ and the [Global Commerce Strategy](#).⁷ With its expertise and presence in the West, WD also works to bring the western Canadian perspective to bear in national policy and program decision making.

WD programs and investments respond to challenges within the western Canadian economy and advance the Government of Canada's overall economic priorities in the West. WD seeks to:

- *Penetrate deeper into existing areas of strengths and ensure that more western businesses are developing, commercializing and manufacturing new technologies and services.*
- *Promote growth and development in priority emerging sectors.*
- *Help western SMEs complement their existing global market penetration with a solid presence in emerging markets.*
- *Advance Government of Canada economic priorities in the West.*
- *Bring western perspectives to national policy and program decision making.*

⁶ <http://www.fin.gc.ca/ec2006/plan/pltoc-eng.asp>

⁷ <http://www.international.gc.ca/commerce/strategy-strategie/index.aspx>

WD Partners, Stakeholders and Clients

WD works with community and business organizations, researchers and academics, business leaders and other orders of governments to commercialize research and technology, expand trade and investment as well as enhance business productivity and competitiveness. WD will continue to work with partners and stakeholders throughout the West's four provinces to expand economic opportunities, renew infrastructure and build greater capacity to respond to economic challenges. Given the uncertainty of the economic climate and the limited fiscal capacity of some of our partners going forward, it is more important than ever for WD to work closely with its partners to leverage available resources.

WD has partnered with western provinces to jointly select and fund projects that support common economic priorities through three rounds of Western Economic Partnership Agreements (WEPAs). These multi-year agreements address economic challenges by investing in shared priorities that include supporting R&D, with a focus on getting new products, technologies and services to market; expanding trade and investment; enhancing business productivity and competitiveness; and increasing value-added production in traditional industries. All four WEPAs expire March 31, 2012. WD will be examining its partnership options going forward, including the possibility of new agreements.

WD will continue to work with partners and stakeholders throughout the West's four provinces to expand economic opportunities, renew infrastructure and build greater capacity to respond to economic challenges.

WD provides ongoing funding (\$38.5 million in 2011–12) for its Western Canada Business Service Network—Community Futures organizations (CFs), Women's Enterprise Initiative organizations (WEIs), Francophone Economic Development Organizations (FEDOs) and Canada Business Centres—to help western Canadians start, grow and expand their businesses. Funding for the CFs, WEIs and FEDOs expires March 31, 2012. WD will be reviewing these organizations' programs and services to ensure that the services meet the needs of western communities and entrepreneurs and that they are aligned with federal and departmental priorities. WD will also focus on maximizing the return on its investments with these organizations by working with them to modernize service delivery and promote greater efficiency and collaboration between members.

Internal Operating Environment

This will be a year of transition for WD, with completion of Economic Action Plan Programs, Government of Canada spending reviews and a new investment strategy.

Fiscal year 2011–12 will mark a transition for WD. The department will be completing the delivery of the Community Adjustment Fund (CAF) and the Recreational Infrastructure Canada (RIInC) program, Economic Action Plan (EAP) programs that have been a focus of departmental efforts since their introduction in 2009, in response to the economic crisis.

Government of Canada spending reviews are expected to have a significant impact on WD and its programs, with

possible opportunities for program improvements, savings and more effective service delivery. In this environment, ensuring alignment of activities with federal priorities, demonstrating program results and value for money and communicating WD's contribution to economic recovery will be increasingly important. Budget 2011 announced that WD would realize efficiencies by streamlining programs and ensuring that the focus of programs and funding is on areas of greatest need. The Budget also indicated that these changes would ensure a greater focus on innovation, technology commercialization and the needs of Western Canada SMEs.

WD prides itself on having programs that are flexible and respond to the needs of clients and stakeholders, with about two-thirds of its annual core grants and contributions budget responding to a wide range of investment opportunities. The department will introduce a new investment strategy to ensure a greater strategic focus for investments while retaining WD's ability to respond to government priorities and the unique needs of Western Canada. This is expected to direct limited resources to departmental priorities, clearly articulate the basis on which WD will invest these limited resources, enhance collaboration among regions to promote investments with multi-regional impacts and enable the department to demonstrate the value of projects both on their own merits and as a coherent set of investments that advance WD's core mandate.

Financial Resources

Program Activity⁸	Total Planned Spending, 2011–12 (\$ thousands)	Alignment to Government of Canada Outcomes
Business Development	52,536	Strong Economic Growth
Innovation	69,169	An Innovative and Knowledge-Based Economy
Community Economic Development	40,042 ⁹	Strong Economic Growth
Policy, Advocacy and Coordination	9,049	Strong Economic Growth
Internal Services	24,734	-
Total	195,530	

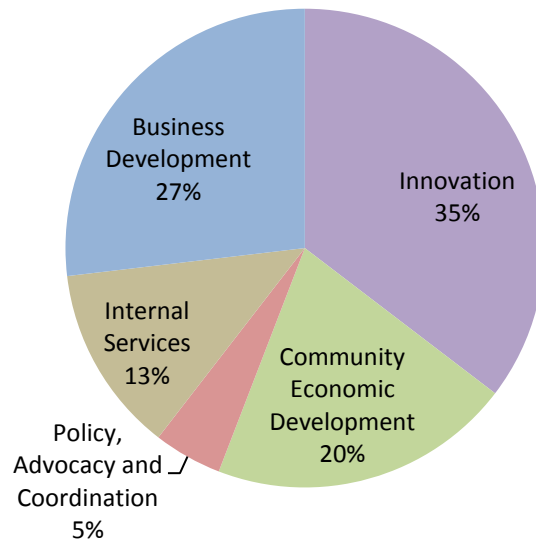
Total spending for 2011–12 is down from forecast spending of \$461.5 million in 2010–11. Most of this decrease is due to the completion of the CAF, the RInC program and the Calgary Stampede – Western Legacy Project, under Canada's EAP. While this funding decrease is significant—with staff who were temporarily hired to implement EAP programs leaving the department and indeterminate staff on assignment to EAP programs returning to their permanent positions—the reduction in funding and staff levels was anticipated and planned for. Going forward, WD's core programs are at relatively stable funding levels, although adjustments will be required to implement Strategic Review decisions and the Government of Canada's upcoming Strategic and Operating Review announced in Budget 2011.

⁸ For more information, refer to WD's [Main Estimates](http://www.tbs-sct.gc.ca/est-pre/20112012/me-bpd/toc-tdm-eng.asp) at <<http://www.tbs-sct.gc.ca/est-pre/20112012/me-bpd/toc-tdm-eng.asp>>.

⁹ This does not include planned spending for the RInC program extended to October 31, 2011, under Canada's EAP.

The chart below shows the percentage of WD’s resources allocated to its five program activities.

Total Planned Spending 2011-12



WD invests its core resources in the following activities to support the development and diversification of the western Canadian economy:

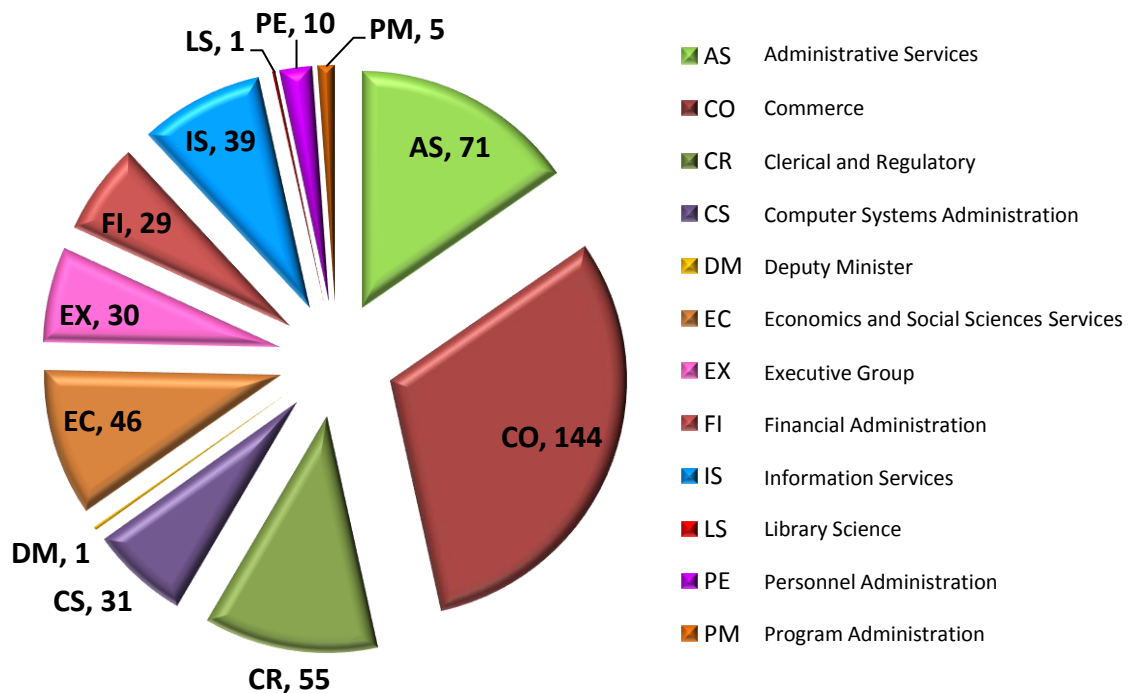
- administering grant and contribution [programs](#) that advance innovation, business development and community economic development throughout the four western provinces;
- supporting the [Western Canada Business Service Network](#), made up of economic development organizations in rural and urban communities across the West, where entrepreneurs can get assistance in starting and expanding their businesses;
- implementing federal-provincial initiatives such as the [Western Economic Partnership Agreements](#), bilateral agreements between WD and each of the four western provinces that address economic challenges by investing in shared priorities;
- advancing the interests of the West in the development and implementation of national economic policies, programs and projects by advocating for Western Canada on important economic matters;
- undertaking and supporting research, consultations and other activities to improve understanding of the western Canadian economy.

4. Human Resources

The Western Economic Diversification Canada (WD) employee workforce is the organization’s primary strength. WD’s employees have a diverse set of skills and experience and a comprehensive understanding of western issues. They are professionals who deliver WD’s programs and services to western Canadians, advocate for western Canadian interests in Ottawa or support the delivery of WD programs and services. Their commitment enables the department to contribute to the strength and success of Western Canada’s economy. With offices in Manitoba, Saskatchewan, Alberta, British Columbia and Ottawa, WD is a western-based department, with 89 percent of its staff in the West.

At the end of 2010–11, WD had 462 indeterminate and term employees. Because of the completion of EAP programming, the number of employees will decrease in 2011–12 as planned. Of its 455 indeterminate and term employees as of April 1, 2011, approximately 31 percent are Commerce Officers and another 40 percent belong to the Administrative and Foreign Service category.

**Employee Population by Occupational Group
(As of March 31, 2011)**

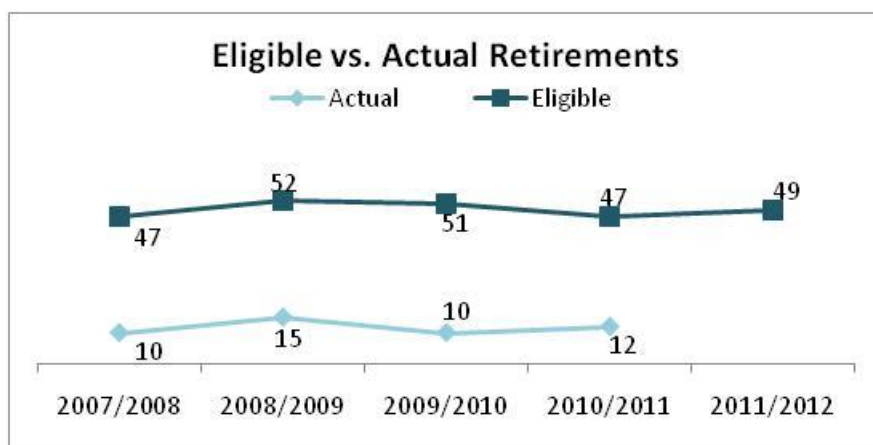


Data Source: Human Resources Information System, March 31, 2011

WD’s human resource challenges are similar to those of many other federal departments. This includes an aging workforce and lower employment equity (EE) representation in some occupational groups than is representative of the workforce.

An analysis of retirement trends indicates that over the past four years, no more than one-third of employees who are eligible to retire actually do (see chart below). This trend, if continued, will mitigate

some challenges around workforce renewal and knowledge transfer within the department; however, the challenges associated with low EE representation will continue.



Data Source: Human Resources Information System, March 31, 2011

The department's human resource priorities are influenced by these factors as well as the three Public Service Renewal themes of Engaging Employees in the Excellence Agenda, Renewing the Workforce and Renewing the Workplace as outlined by the Clerk of the Privy Council in his [Eighteenth Annual Report to the Prime Minister on the Public Service of Canada](#).

WD will establish a Public Service Renewal Plan and an Organizational Staffing Action Plan outlining what will be required to address the commitments in each theme. WD has identified the following Human Resources priorities and outcomes for 2011–12:

Priority	Strategy	Outcome
Workforce Renewal	WD's staffing priorities, as identified in the organizational Staffing Action Plan for 2011–12 will be: i) EE recruitment in the Executive and computer science (CS) categories and ii) official language recruitment in the Clerical and Regulatory, Administrative Services and CS classifications. To address these priorities, WD will focus on internal staffing opportunities and staffing key positions promptly and efficiently.	WD will capitalize on developmental opportunities to build capacity and support existing employees, while addressing EE and official language gaps.
Workplace Renewal	WD will ensure accurate and effective organizational structures, while implementing tools that assist employees complete their work.	WD will deliver its mandate in a healthy, safe and efficient environment.
Performance Management	WD will ensure all employees receive performance goals, learning plans and performance reviews promptly and effectively.	WD will be a high-performing organization with a timely and effective performance management system that sets high standards and expects employees at all levels to meet them.
Employee Development	WD will ensure all employees are engaged in learning, while promoting developmental opportunities.	WD will have demonstrated a commitment to developing current employees and making the best possible use of skills and talents.

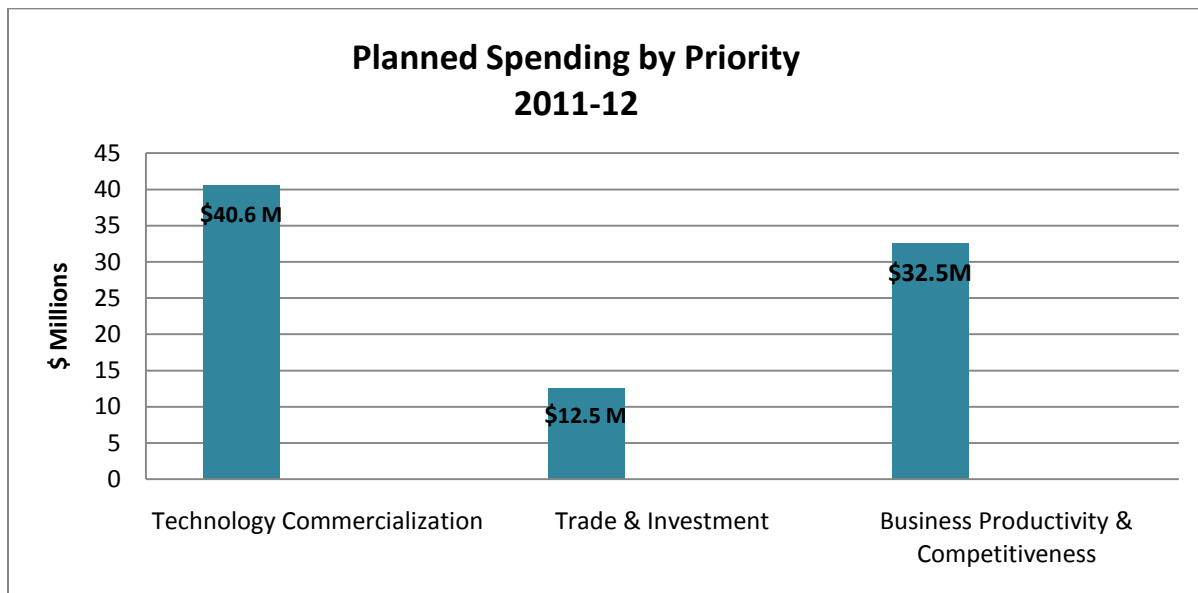
5. What WD Will Do

Operational Priorities

The following are the three operational priorities on which Western Economic Diversification Canada (WD) will focus its efforts to deliver on its mandate of promoting the development and diversification of the western Canadian economy:

- Technology Commercialization – Bringing new goods and services to market.
- Trade and Investment – Increasing the market presence of western Canadian goods and services in domestic and export markets.
- Business Productivity and Competitiveness – Assisting western Canadian businesses to find ways to compete with their global competitors by increasing productivity.

The chart below outlines planned spending for the three program priorities. Spending on these three priorities constitutes 59 percent of total planned grants and contributions (Gs&Cs) spending in 2011–12. Planned Gs&Cs spending for all programs and activities is provided in Annex A.



Technology Commercialization

Technology commercialization translates knowledge and technology into new commercial opportunities, contributing to business productivity, competitiveness and economic growth. Technology commercialization also contributes to economic diversification by increasing the share of gross domestic product (GDP) derived from the economy's higher value-added sectors.

WD's priority of technology commercialization aligns with the Government of Canada's [Science and Technology Strategy: Mobilizing Science and Technology to Canada's Advantage](#). There is also a link to

[Advantage Canada](#) with respect to building a stronger Canadian economy and improving Canadians' quality of life.

WD's plans for 2011–12 to support Technology Commercialization:

- Support market-driven technology commercialization to ensure western Canadian firms are better positioned to get western technologies to market.
- Provide support to industry associations and the research and development community to increase access of firms to product development assistance, management expertise, skilled personnel and early stage capital to accelerate firm formation and growth.
- Build capacity in non-profit technology transfer organizations that identify, protect and license technologies for commercialization.
- Continue to develop and retain qualified and competent employees so that the department has the capacity to deliver on this priority. Learning and development of staff will include attendance at stakeholder events or presentations, participating in specialized networks and other types of training to build employee expertise and capacity.

By continuing to support the commercialization of new technologies, WD expects an increase in deal flow and market-ready technologies. This will result in additional spin-off companies, attraction and increase of venture capital to new and existing firms, additional technology demonstrations, increases in sales of new products by firms to domestic and international markets and more advanced technology products and services in the marketplace.

Trade and Investment

Trade and investment helps SMEs increase their competitiveness and productivity by allowing them to take advantage of economies of scale, gain access to innovative ideas, technology and capital and increase their long-term revenues. Foreign direct investment increases technology, knowledge and skills transfer to the host country and promotes innovation through the development of new technologies.

WD's priority of strengthening trade and investment is directly aligned with the [Global Commerce Strategy](#), [Advantage Canada](#) and the [National Policy Framework for Strategic Gateways and Trade Corridors](#). WD's solid partnerships with the Department of Foreign Affairs and International Trade Canada, provincial and municipal governments as well as industry and business associations have enhanced the department's role in trade and investment.

WD's plans for 2011–12 to support Trade and Investment:

- Support activities and investments that strengthen SME engagement in international markets and enhance their ability to access global value chains.
- Increase awareness of Western Canada as a competitive investment destination.
- Build connections between SMEs and major international aerospace, marine and defence companies to enable western SMEs to access federal procurement and industrial regional benefits opportunities.
- Focus on technology and value-added sectors (e.g., information and communications technologies, life sciences, emerging technologies and manufacturing) in the priority markets of the United States, Mexico, the Asia-Pacific region and Latin America.
- Support knowledge transfer, employee training and development as well as succession planning to ensure that WD has the human resource capacity in trade and investment. An important training and development strategy is continuing to provide temporary duty assignments for WD staff through the North American Platform Program.

By pursuing this priority, WD will help increase the volume and value of exports, excluding primary production sectors, by western small and medium-sized enterprises (SMEs), the number and percentage of western SMEs actively exporting, the level of foreign investment, awareness and utilization of Western Canada's gateways and corridors and market diversification.

Business Productivity and Competitiveness

Productivity growth and competitiveness are important sources of long-term economic growth and improve Canadians' standard of living. While WD's other two operational priorities—technology commercialization as well as trade and investment—contribute to Canada's productivity and competitiveness, WD pursues other activities that improve the productivity and competitiveness of western Canadian firms.

This priority aligns with the Government of Canada's [Advantage Canada](#) and the [Global Commerce Strategy](#). Key players include post-secondary institutions, provincial governments, industry and business associations and Western Canada Business Service Network (WCBSN) members.

WD's plans in support of Business Productivity and Competitiveness:

- Support initiatives to improve business processes (including the adoption of lean manufacturing practices), accelerate product development and strengthen supply chain management, through work with industry associations and other non-profit organizations.
- Support improved business processes and best practices among SMEs (e.g., through funding to the [WCBSN](#)).
- Support initiatives that strengthen management skills and human resource development related to productivity improvement.

By supporting initiatives to improve business productivity and competitiveness, WD will contribute to growth in real GDP, employment, research and development (R&D) and investment capital.

Program Activities

In 2011–12, WD will continue to achieve its strategic outcome of developing and diversifying the western Canadian economy by focusing on the program activities below. These activities, comprising WD's Program Activity Architecture (PAA),¹⁰ will help ensure that the West continues to make a strong contribution to Canada's economic success.

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
Resource Management Services		
Asset Management Services		

¹⁰ The PAA is a Treasury Board-approved inventory of the department's programs, activities, performance indicators and expected outcomes.

A summary of planned spending and human resource allocations by program activity can be found in Annex A. Key performance indicators that the department tracks to measure the success of its program activities are provided in Section 8.

Business Development

Resources by Program Activity and Sub-Activity, 2011–12¹¹				
Business Development	Gs&Cs Approvals (\$ thousands)	Gs&Cs Spending (\$ thousands)	Operating (\$ thousands)	FTEs
Improve Business Productivity	10,200	21,553	5,166	
Market and Trade Development	9,227	11,362	1,211	
Industry Collaboration	0	38	192	
Foreign Direct Investment	1,046	1,154	295	
Access to Capital	300	10,904	662	
Total	20,773¹²	45,011	7,525	82

WD works with industry, non-profit and research organizations to enhance business productivity, assist SMEs in developing new and innovative products and services for the global marketplace, increase the penetration of western Canadian technologies, services and value-added products into international markets, attract foreign direct investment and improve access to capital. Through this program activity, WD also collaborates with other stakeholders such as provincial governments and non-profit organizations to provide business programs and services to entrepreneurs and SMEs.

This program activity includes business productivity and competitiveness as well as trade and investment, departmental priority areas that are described in Section 5.

Benefits for Canadians

- ➔ *Strong, productive and competitive SMEs*
- ➔ *Job creation and maintenance*
- ➔ *Increased exports and foreign investment*
- ➔ *Productivity growth*
- ➔ *Increased competitiveness*

¹¹ The planned Gs&Cs spending for 2011–2012 includes payment related to projects approved in 2011–2012, as well as payments related to multi-year projects approved in previous fiscal years. The planned Gs&Cs approvals in 2011–2012 represent new commitments for expenditures in 2011–2012 and in subsequent years. In a department with multi-year projects and commitments, Gs&Cs approvals more closely reflect current priorities and directions, while Gs&Cs spending is important to ensure the department does not exceed its budgetary appropriations provided by Parliament.

¹² This does not include approvals for WCBSN members.

WD business development activities in 2011–12:

- supporting initiatives directed at SMEs to improve business processes, accelerate product development, adopt best practices, create business networks and improve access to skilled labour;
- providing business information and services for SMEs in both rural and urban areas through the [WCBSN](#),¹³
- working with WCBSN members to better align their programs and services with Government of Canada priorities;
- assisting western Canadian companies to access federal procurement as well as industrial and regional benefit (IRB) opportunities;
- strengthening SME engagement in international markets, with a solid presence in emerging markets;
- supporting the development and marketing of key trade assets in Western Canada such as gateways and corridors;
- increasing exports from Western Canada's technology sectors;
- building awareness of Western Canada as a competitive investment destination;
- promoting growth and development in priority emerging sectors, e.g., digital media, life sciences, aerospace and defence.

Innovation

Resources by Program Activity and Sub-Activity, 2011–12 ¹⁴				
Innovation	Gs&Cs Approvals (\$ thousands)	Gs&Cs Spending (\$ thousands)	Operating (\$ thousands)	FTEs
Technology Adoption & Commercialization	42,979	40,648	2,697	
Technology Linkages	2,000	1,733	377	
Technology Research & Development	2,000	7,364	521	
Community Innovation	500	750	370	
Technology Skills Development	1,700	400	245	
Knowledge Infrastructure	12,700	13,284	780	
Total	61,879	64,179	4,990	62

¹³ <http://www.wd.gc.ca/eng/99.asp>

¹⁴ The planned Gs&Cs spending for 2011–12 includes payment related to projects approved in 2011–12, as well as payments related to multi-year projects approved in previous fiscal years. The planned Gs&Cs approvals in 2011–12 represent new commitments for expenditures in 2011–12 and in subsequent years. In a department with multi-year projects and commitments, Gs&Cs approvals more closely reflect current priorities and directions, while Gs&Cs spending is important to ensure the department does not exceed its budgetary appropriations provided by Parliament.

Innovation is a key driver of economic growth and development. WD works with post-secondary institutions, research institutes, other federal departments, provincial governments as well as industry associations and consortia to strengthen the western Canadian innovation system. This involves building technology linkages and by supporting technology adoption and commercialization, R&D, community innovation, technology skills development and knowledge infrastructure.

Benefits for Canadians

- *More diversified, knowledge-based economy*
- *Increased productivity and competitiveness*
- *Increased standard of living*

Technology commercialization is a key component of this program area and is one of WD's operational priorities described in Section 5.

WD innovation activities in 2011–12:

- investing in initiatives that support market-driven technology adoption and commercialization;
- supporting initiatives that focus on the creation and growth of knowledge-based firms;
- creating effective linkages among players in the innovation system to facilitate the commercialization of technologies into new products and services;
- continuing to collaborate with western provincial governments to invest in joint innovation priorities;
- investing in knowledge infrastructure and equipment to support R&D and innovation in strategic sectors;
- supporting applied R&D that has the potential to lead to a commercial product or service.

Community Economic Development

Resources by Program Activity and Sub-Activity, 2011–12¹⁵				
Community Economic Development	Gs&Cs Approvals (\$ thousands)	Gs&Cs Spending (\$ thousands)	Operating (\$ thousands)	FTEs
Community Planning	0	9,922	677	
Community Development	4,587	24,928	1,275	
Community Economic Adjustment	0	0 ¹⁶	1,831	

¹⁵ The planned Gs&Cs spending for 2011–2012 includes payment related to projects approved in 2011–2012, as well as payments related to multi-year projects approved in previous fiscal years. The planned Gs&Cs approvals in 2011–2012 represent new commitments for expenditures in 2011–2012 and in subsequent years. In a department with multi-year projects and commitments, Gs&Cs approvals more closely reflect current priorities and directions, while Gs&Cs spending is important to ensure the department does not exceed its budgetary appropriations provided by Parliament.

¹⁶ This does not include planned spending for the RInC program extended to October 31, 2011, under Canada's EAP.

Community Infrastructure	0	0 ¹⁷	1,408	
Total	4,587	34,850	5,191	72

WD undertakes community economic development initiatives that help urban and rural communities sustain or develop their economies and adjust to changing and challenging economic circumstances. This includes implementing federal economic adjustment programs and investing in public infrastructure to meet the Government of Canada's commitment to strong economic growth and improving Canadians' standard of living.

Benefits for Canadians

- ➔ *Job creation and maintenance*
- ➔ *Economic growth*
- ➔ *Cleaner environment*
- ➔ *Improved community infrastructure*

WD community economic development activities in 2011–12:

- completing the delivery of the Community Adjustment Fund (CAF) and the Recreational Infrastructure Canada (RIc) program, both part of Canada's Economic Action Plan (EAP), with a focus on ensuring the completion of projects and the quick and efficient processing of financial claims from clients (for more information on the EAP, refer to Canada's EAP item later in this section);
- supporting community economic development services and activities through the Community Futures Development Corporations and Francophone Economic Development Organizations;
- investing in initiatives that enhance Aboriginal participation in the economy;
- delivering [national infrastructure programs](#)¹⁸ across the West on behalf of the Government of Canada.

Policy, Advocacy and Coordination

Resources by Program Activity and Sub-Activity, 2011–12				
Policy, Advocacy and Coordination	Gs&Cs Approvals (\$ thousands)	Gs&Cs Spending (\$ thousands)	Operating (\$ thousands)	FTEs
Collaboration and Coordination	0	22	3,205	
Advocacy	0	0	1,333	
Research & Analysis	300	1,300	3,189	
Total	300	1,322	7,727	60

¹⁷ Spending for the delivery of infrastructure programs is done through a suspense account with Infrastructure Canada, which includes the spending appropriate in its budget.

¹⁸ <http://www.wd.gc.ca/eng/16.asp#c>

WD supports policy research and consultation to understand issues facing the West, develops and implements strategies to ensure the consideration of western economic policy issues and priorities in the development of federal policies and programs as well as engages in activities that enhance collaboration and coordination of key stakeholders. This priority is linked to all three operational priorities: trade and investment, business productivity and competitiveness as well as technology commercialization.

Benefits for Canadians

- ➔ *National priorities, policies, programs and procurements reflect western Canadian priorities*

WD policy, advocacy and coordination activities in 2011–12:

- developing a strategic policy framework to guide its policy and advocacy engagement;
- representing western interests in the development of national policies and strategies relevant to Western Canada and WD's mandate (i.e., oil sands and clean energy, gateways and corridors, IRBs, Global Commerce Strategy, Digital Economy Strategy and Review of Federal Support to Research and Development);
- promoting the capabilities of western Canadian companies to national and international contractors with IRB obligations or other federal procurement opportunities;
- collaborating with key stakeholders and other federal organizations;
- supporting research that assists in the development of relevant policy options for Western Canada.

Canada's Economic Action Plan¹⁹

Budget 2009 provided resources to WD to deliver EAP programs in the West to provide timely, targeted and temporary economic stimulus for communities to mitigate the impacts of the economic downturn. The RInC program and the top-up funding delivered through the Building Canada Fund,²⁰ which originally ended March 31, 2011, have been extended to October 31, 2011, to allow for the successful conclusion of approved projects.

The RInC program is forecast to create or maintain approximately 3,000 jobs and almost 1,400 new and improved local infrastructure components over the life of the program. Of these, 652 jobs and 301 infrastructure components are expected to be created or maintained during the remaining seven months of the program in 2011–12. This represents \$69 million in total infrastructure spending by all parties, including federal, provincial and municipal governments and non-governmental organizations.

Benefits for Canadians

- ➔ *Job creation*
- ➔ *More viable communities*
- ➔ *Long-term community infrastructure*

¹⁹ WD's work in delivering components of Canada's EAP in the West is formally included in the Community Economic Development program activity, but a separate section is provided here to provide further details on planned spending, staffing level and performance indicators.

²⁰ WD delivers the Building Canada Fund across the West on behalf of Infrastructure Canada. More details are included in the *Report on Plans and Priorities* for Infrastructure Canada.

WD EAP activities in 2011–12:

- ensuring that CAF and RInC projects are completed, claims finalized and results are captured promptly and accurately;
- working with clients to maximize the impact and results of investments and ensuring effective communication of these results to Canadians.

Internal Services

Resources by Program Activity and Sub-Activity, 2011–12				
Internal Services	Gs&Cs Approvals (\$ thousands)	Gs&Cs Spending (\$ thousands)	Operating (\$ thousands)	FTEs
Governance & Management Support	N/A	N/A	10,267	
Resource Management Services	N/A	N/A	13,564	
Asset Management Services	N/A	N/A	904	
Total	N/A	N/A	24,734	131

Internal Services support WD's programs and other corporate responsibilities. This includes management and oversight, communications, human resources management, financial management, information management (IM), material services and travel and other administrative services.

WD internal services activities in 2011–12:

- improving the alignment and coordination of departmental research, strategic policy development and planning and reporting activities to ensure effective policy and program development and implementation;
- making internal processes in support of grants and contributions investments as effective as possible in achieving departmental outcomes;
- continuing Public Service Renewal initiatives, with a focus on integrated business planning, strategic recruitment, employee development and workplace renewal;
- evaluating current performance indicators in WD's Performance Measurement Framework to ensure that WD is able to demonstrate and communicate its impact on the western Canadian economy and support evidence-based decision making;
- improving and enhancing integration of project management and reporting systems to respond to WD's needs;
- establishing IM policies and procedures as well as improving the electronic storage of records;
- contributing to the Greening Government Operations targets by reusing or recycling surplus electronic and electrical equipment, reducing printers and paper consumption as well as developing a green meeting guide (for more information, refer to [WD's Greening Government Operations table²¹](#));

²¹ <http://www.tbs-sct.gc.ca/rpp/2011-2012/info/info-eng.asp>

- implementing the department's five-year 2011–16 Investment Plan (refer to Annex G) to comply with the Treasury Board *Policy on Investment Planning and the Management of Projects*;
- developing a financial expenditure management framework to improve Gs&Cs forecasting.

6. How WD Works

WD Governance and Management

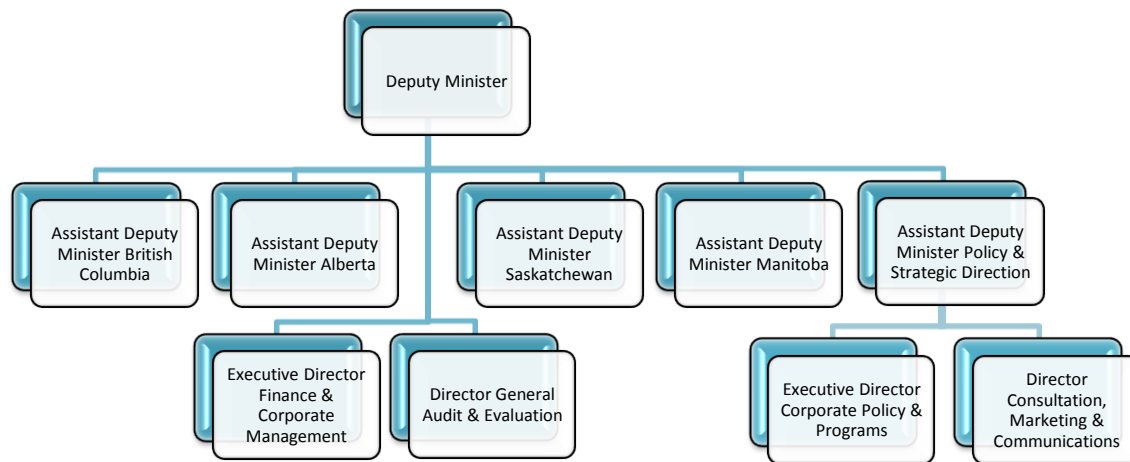
Legislative Authority, Offices and Organizational Structure

The [Western Economic Diversification \(WD\) Act](#) gives the Minister authority for the department's management and direction. A Minister of State has designated responsibility for the WD's day-to-day operations. The *WD Act* requires the principal office to be in Edmonton, Alberta, and that the department maintain at least one office in each other province in Western Canada. The deputy minister, who is responsible for overall strategic direction and management, resides in Edmonton and is the only deputy minister located in the West.

Assistant deputy ministers (ADMs) manage regional offices located in Winnipeg, Edmonton, Saskatoon and Vancouver. The ADM of Policy and Strategic Direction leads the policy and advocacy, program, corporate communications and corporate secretariat functions located in Ottawa and Edmonton. WD's Finance and Corporate Management Branch and Audit and Evaluation Branch are also located in Edmonton.²²

Strategic Decision-Making Bodies

WD's Executive Committee



²² For information on corporate functions and priorities, refer to Annex D. For more information on WD's regional office activities, refer to Section 7.

WD’s decision-making committees are organized in support of the department’s Executive Committee, which is chaired by the Deputy Minister and provides policy direction, strategic oversight and senior management support for WD’s outcomes.

In support of Executive Committee at the corporate level are key functional committees: Directors General Operations Committee, Directors of Policy Committee, Planning and Reporting Committee, IM Technology Council and the Contract Review Committee. At the regional level, a Senior Management Committee supports each ADM.

In 2011–12, WD will be completing a review of its governance structures to improve internal services and support management excellence.

In addition, the department has a Management Accountability Committee (MAC) and a Departmental Evaluation Committee (DEC). MAC provides direction and advice on all issues related to implementing the Government of Canada’s overall management agenda, WD’s management priorities and the Management Accountability Framework (MAF). DEC oversees the evaluation function and serves as the organization’s decision-making body on all evaluation and performance measurement activities to integrate the use of evaluation findings in management and decision-making practices.

Providing independent advice to the DM is WD’s Departmental Audit Committee, made up of three members appointed from outside the federal public service. WD also has a departmental Labour Management Consultation Committee and Departmental Occupational Health and Safety Committee, both supported by local committees in regional offices.

WD’s Committee Structure



Management Priorities

Management priorities are internal organizational areas of focus that support the delivery of WD programs and services. WD's Executive Committee reviews the department's management priorities annually and makes changes as required. Management priorities align with Government of Canada initiatives to sustain a highly skilled and dynamic work force, demonstrate accountability and value for money and ensure work across the department remains relevant and citizen-focused.

Public Service Renewal

Public Service renewal is a broad management priority focused on sustaining the necessary complement of qualified, motivated and knowledgeable staff while encouraging innovation and providing enabling workplace tools and systems. WD's renewal activities fall under the broad themes of Engaging Employees in the Excellence Agenda, Renewing the Workforce and Renewing the Workplace. In response, an action plan has been developed to demonstrate the department's progress against its renewal responsibilities.

WD must ensure that it has the workforce—the staff, knowledge and skills—it needs to deliver on its mandate. This includes responding to changing employee demographics and the projected increase in the rate of retirement. WD's human resource objectives support the Government of Canada priority of public service renewal. (For more information, refer to the [Public Service Renewal Action Plan](#).²³)

WD plans in support of its Public Service Renewal priority:

- Ensure resource considerations are integrated into business plans, including human resource, IM and technology as well as financial, to ensure business objectives can be realized.
- Undertake strategic recruitment with an ongoing focus on employment equity and official languages.
- Implement employee development initiatives with a focus on sound management, leadership skills development and official languages.
- Prepare and implement an action plan in response to 2011 Public Service Employee Survey results.
- Implement a new WD values and ethics code to ensure high ethical standards and practices, consistent with *The Values and Ethics Code for the Public Sector* and *The Policy on Conflict of Interest and Post-Employment*.
- Implement WD's Integrated Learning Management System pilot program for Annual Learning Plans.
- Implement IM agenda with a focus on electronic document and records management and establishment of SharePoint as a departmental collaboration tool.

²³ <http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=clerk-greffier>

Performance Measurement

Effective performance measurement is essential for demonstrating and communicating WD's impact on the development and diversification of the western Canadian economy.²⁴ Meaningful performance data will also improve the capacity of WD to engage in evidence-based decision making and policy development and enable the department to implement strategic adjustments as required.

Performance measurement includes the establishment of departmental performance targets within the context of the Program Activity Architecture (PAA) and periodic measurement and reporting on performance against those targets.

WD plans to address Performance Measurement:

- Review current performance indicators and Performance Measurement Framework (PMF) to assess WD's performance measurement regime.
- Improve and integrate project management and reporting systems.
- Increase the use of qualitative measures and case studies to provide evidence-based analysis of WD's results in implementing its mandate.
- Undertake revisions to the PAA and PMF for 2013–14, including departmental analysis, consultation and decisions in 2011–12 to prepare a Treasury Board (TB) submission in April 2012.

Integrated Risk Management

Integrated risk management helps to ensure that WD is taking a systematic approach to identifying and managing strategic, operational and project risks. An effective risk management approach ensures that WD focuses its time and resources on high-impact areas.

Integrated risk management is important for WD to meet the requirement of new TB policies such as *The Transfer Payment Policy* or of government-wide initiatives such as the [Government of Canada Action Plan to Reform the Administration of Grant and Contribution Programs](#), which contain expectations related to levels of control and risk management.

WD's Corporate Risk Profile (CRP)

Examples of risks identified in the department's CRP include the following:

- WD will be unable to complete the implementation of Economic Action Plan programs given the existing level of resources and timelines.

²⁴ WD performance measurement and reporting mechanisms must comply with the Government of Canada's [Management, Resources and Results Structure \(MRRS\) Policy](#). The MRRS Policy supports the development of a common government-wide approach to the identification of programs and to the collection, management and reporting of financial and non-financial information relative to those programs. Part of the MRRS is the PAA, which provides an inventory of all departmental programs and activities that are linked to WD's strategic outcome. A more detailed account of WD's program activities and their performance measures are available in this Plan in the section on Program Activities.

- WD may be unable to measure and demonstrate progress in advancing its mandate due to limited performance results information.
- WD may be unable to retain and develop staff recruited as part of Public Service Renewal efforts.

WD has developed mitigation strategies to respond to these risks, including the following:

- ensuring that resources are targeted to high-risk projects for monitoring and payments;
- evaluating and revising performance indicators and PMF;
- enhancing employee learning and development as well as succession planning.

WD plans to further Integrated Risk Management:

- Renew the department's Corporate Risk Profile to ensure it provides an up-to-date assessment of key risks WD needs to address.
- Finalize a risk management policy and implementation guide to ensure effective oversight and reporting of risk.
- Support the refinement of risk-based processes and tools to support risk management practices in the department.

Information Management

Effective information management (IM) is important to ensure the integrity, accuracy, availability, quality and business value of information in the department. Sound IM will contribute to operational efficiencies, reduce storage requirements for physical records and facilitate knowledge transfer.

In addition to regulatory compliance with the Government of Canada's *Policy on Information Management* and related directives, this priority reflects the MAF element of effectiveness of IM.

WD plans in support of its IM priority:

- Introduce an electronic document and records management solution to improve management of records.
- Develop and implement WD IM policies in compliance with Treasury Board of Canada Secretariat policy and directives.
- Implement a Central Registry Scanning Project.
- Continue implementation of social media pilot projects such as wiki and workgroup collaboration.

Other Management Areas of Focus

Values and Ethics

Conducting business in a manner that respects the Government of Canada's and WD's values and ethics is an integral part of the department's culture. In 2011, a new *Values and Ethics Code for the Public Sector* is expected to be tabled in Parliament. It will replace the existing Code and clarify expected behaviours that correspond to values such as respect for democracy, respect for people, integrity, stewardship and excellence. WD will also implement an organizational code that reflects the department's specific needs and the organization's commitment to sound management and effective decision making. Values and ethics will remain integral components of project approval and payment processes, internal audits, recruitment and training efforts, performance appraisals and planning sessions.

WD has a three-year Values and Ethics action plan that includes the following 2011–12 planned activities:

- implementation of a WD Code of Conduct that is consistent with the *Values and Ethics Code for the Public Sector*;
- identification of available training programs and development of WD specific training material;
- participation in the Public Service Employee Survey in the fall 2011 and development of an action plan to address any issues identified by survey results.

Departmental Sustainable Development Strategy

WD works to build a stronger, more diversified western Canadian economy while contributing to the environmental sustainability of Western Canada. The department demonstrates strong support for the Government of Canada's Federal Sustainable Development Strategy (FSDS), which includes four priority themes:

- I. Addressing Climate Change and Clean Air
- II. Maintaining Water Quality and Availability
- III. Protecting Nature
- IV. Shrinking the Environmental Footprint – Beginning with Government

WD contributes to three of the FSDS priority themes. Themes I and II are addressed as part of WD's activities related to innovation, which includes projects that strengthen technology commercialization and the adoption of clean energy and water technologies.

WD has also developed strategies to support theme IV, Greening Government Operations, through the following commitments:

- proper disposal practices for electronic and electrical equipment;
- reduction of WD's ration of office employees to printers;
- reduction of internal paper consumption per office employee by 20 percent;

- adoption of a departmental Green Meetings Guide;
- establishment of Green procurement practices;
- training, employee performance evaluations and management processes and controls as they pertain to procurement decision making.

As part of its FSDS activities, WD utilizes Strategic Environmental Assessments in departmental decision making involving policies, plans and program proposals. For more information, refer to WD's [sustainable development strategy Web site](#).²⁵ For complete details on the FSDS, refer to the [Planning for a Sustainable Future: The Federal Sustainable Development Strategy for Canada](#) Web site.²⁶

Official Languages Strategy

The WD Official Languages Strategy, based on the [Official Languages Act](#), has three priorities: provision of services in both official languages; fostering a work environment that encourages the use of both official languages; and supporting and facilitating the economic development of Official Language Minority Communities (OLMCs) in the West. By pursuing these priorities, WD is encouraging sustainable, diversified, competitive and innovative economies.

In 2011–12, WD will continue to work with other federal organizations to deliver the [Economic Development Initiative](#)²⁷ as part of the [Roadmap for Canada's Linguistic Duality 2008–2013: Acting for the Future](#).²⁸ WD undertakes measures through its Results-Based Action Plan for the Implementation of Section 41 of the *Official Languages Act* to enhance the vitality of western Canadian francophone OLMCs, to support and assist them in their development and to foster the full recognition and use of both English and French in Canadian society. (For more information, refer to [Reports on the Implementation of Section 41 of the Official Languages Act](#).²⁹)

Grants and Contributions Reform

The 2006 [Report of the Independent Blue Ribbon Panel on Grant and Contribution Programs](#)³⁰ and the 2007 [Government of Canada Action Plan to Reform the Administration of Grant and Contribution Programs](#)³¹ are important to WD as a grants and contributions delivery department. Recommendations from the Panel include simplifying program administration and ensuring that programs are citizen-centered, results-focused and based on a regime of risk management. WD's plans in 2011–12 include examining service standards, reducing unnecessary reporting, further integrating risk management in decision making and modernizing administrative systems and processes, all of which respond to the Panel's recommendations and support the Action Plan.

²⁵ <http://www.wd.gc.ca/eng/57.asp>

²⁶ <http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=C2844D2D-1>

²⁷ <http://www.wd.gc.ca/eng/11564.asp>

²⁸ <http://www.canadianheritage.gc.ca/pgm/slo-ols/pubs/08-13-ldl/08-13-ldl-eng.pdf>

²⁹ <http://www.wd.gc.ca/eng/10885.asp>

³⁰ <http://dsp-psd.pwgsc.gc.ca/Collection/BT22-109-2007E.pdf>

³¹ <http://www.tbs-sct.gc.ca/gcr-esc/docs/2008/ragcp-rapsc-eng.asp>

7. Regional Perspectives and Initiatives

Western Economic Diversification Canada (WD) has offices in each of the four western provinces. Each regional office delivers WD programs to address the department's strategic outcome of developing and diversifying the economy. While the department's program areas and priorities are relevant for Western Canada as a whole, the four regional offices tailor WD's programming to suit regional needs. This section describes the economic environment and WD's priorities and key sectors in each western province.

British Columbia

BC is characterized by a dual economy, with urban areas dominated by a diversified services sector such as corporate management, high technology and creative industries, while rural areas remain highly dependent on resources, particularly forestry. The economic recovery is well underway in BC, buoyed by a sharp increase in industrial commodity prices (e.g., coal and copper) and a rebound in merchandise exports. The employment picture has improved and all jobs lost during the recession have been fully recouped. However, the unemployment rate remains high at 7.9 percent compared to 7.6 percent for Canada overall.

For 2011, BC's economic growth is forecast to moderate somewhat to 2.6-percent real gross domestic product (GDP) growth, down from 4.0 percent in 2010, as the onus for driving growth shifts from public stimulus spending to the business sector. Continued expansion in global trade led by robust commodity prices and demand in Asia and a rebound in capital investment are forecast to support growth throughout the year. However, soft spots have begun to emerge on the domestic front. Risks attributable to elevated household indebtedness, anticipated interest rate increases and muted jobs growth may act to constrain consumer spending and housing activity as the year progresses. Rapid increases in the Canadian dollar's value relative to the US dollar may also constrain the profitability of BC's key export industries.

WD will focus on opportunities in the following key sectors in BC:

Clean Technology / Clean Energy

BC's environmental industry includes over 1,300 companies with revenues of \$2 billion. The sector's main components include construction, recycling, solid and hazardous waste management, consulting, water/wastewater goods and services, renewable energy, air pollution and noise control, analytical services, green building and sustainable urban planning.

Digital Economy / Information and Communication Technology

BC is recognized as a world-leading digital media and information and communication technology (ICT) centres. The province features 600 digital media companies that generate \$2.3 billion in annual sales and employ 16,000 workers.

Life Sciences

BC's life sciences sector comprises more than 340 companies that employ 4,000 people and generate annual revenues of \$800 million. BC is Canada's fastest-growing life sciences community and a globally recognized hub of innovative technologies.

Value-Added Natural Resources

To remain competitive and sustain employment creation in the resource industries, emphasis has shifted towards finding new ways of combining innovative production processes with the pursuit of new niche and specialty market opportunities. Key opportunities exist to work with industry in BC to capitalize on downstream commercial opportunities that extract greater value from our resource base in areas like bio-fuels, specialty and industrial minerals, development of innovative food (and fish) products and packaging and in development of green, innovative building products.

Alberta

Economic prospects for Alberta are positive for the coming years. International demand for energy will boost exports and investments into the oil sands, driving services in other related sectors; however, this upswing also creates challenges such as skilled labour shortages, infrastructure strains and potential impacts on the environment and human health.

Other factors also affect WD Alberta Region's external operating climate. Venture capital activity for emerging (non-oil and gas) sectors is difficult to access. Growth of productivity rates in Alberta is among the lowest in the world and rates for business expenditures on research and development (R&D) are lower than the national average. Additionally, Alberta is highly dependent on energy exports and American markets.

WD will focus on the following key sectors in Alberta:

Clean Technology

Alberta's clean technology (cleantech) sector consists of just over 70 companies that primarily work in process efficiency and abatement, power generation as well as recycling and waste. As is the case nationally, Alberta's cleantech sector is dominated by smaller firms that face challenges such as restricted access to capital and a slow domestic market. As such, the sector experiences difficulties to grow and stay competitive globally; however, the province's oil sands operations, which have an increasing focus on environmental mitigation, provide local opportunities for the cleantech sector's growth in Alberta. Support for the sector in the province is also provided through various initiatives such as the Climate Change and Emission Management Corporation, which provides funding to firms for the development of new clean technologies.

Information and Communication Technology

Alberta is home to over 8,500 ICT firms, employing over 48,000 people. Revenues for the sector totalled \$7.7 billion in 2008. Provincial firms have a strong presence in industrial automation, manufacturing and controls software; medical imaging and bioinformatics; geomatics; and new media and gaming. A particular challenge of the sector going forward is expected labour shortages due to low enrolment in ICT-related fields and an exodus of skilled labour to meet the ICT needs of the oil and gas sector.

Life Sciences / Medical Devices

Alberta's Life Sciences sector comprises more than 150 companies, with the majority located in the Edmonton and Calgary regions and operating in the health biotechnology and medical devices and

equipment sectors. The province is home to several premier research entities, including the University of Alberta, the University of Calgary and the National Institute of Nanotechnology (NINT). Despite the presence of these facilities, Alberta firms in the sector spend less on R&D compared to firms operating in other parts of the country. Additionally, although not exclusive to Alberta, the sector does suffer from a lack effective coordination between stakeholders diminishing the sector's potential.

Nanotechnology / Microtechnology

In addition to the more than 70 nanotechnology companies operating in the province, Alberta has substantial capacity across the innovation continuum to further the sector's growth. This includes significant research capabilities largely centred around the NINT at the University of Alberta and specialized facilities such as the Alberta Centre for Advanced MNT Products, which provides support for translating research into end-market use. Leveraging these assets, the Government of Alberta has a strategy aimed at capturing \$20 billion of the worldwide nanotechnology market annually by 2020.

Saskatchewan

Saskatchewan's economy picked up in the second half of 2010. The province is forecast to lead the country in real GDP growth in 2011 of 4.3 percent. This is substantially better than the predicted national rate of 2.6 percent. The positive outlook is attributed to rising commodity prices in the potash and oil and gas sectors. Agriculture is also expected to rebound from low production volumes in 2010.

In 2010, Saskatchewan's population grew faster than any other province at a rate of 1.5 percent from 2009. The influx of immigrants was a key component of this growth. The province also experienced record high employment in 2010. In 2011, the provincial government set uranium added-value research as one of its priorities and recent federal and provincial funding announcements could lead to further developments in the sector. Higher energy prices and a strong provincial economy will also create opportunities for investments in many sectors, such as in the areas of clean technology related to the energy sector.

A higher Canadian dollar may negatively influence the competitiveness of Saskatchewan exporters. Saskatchewan is reliant on exports for over 40 percent of provincial GDP. The agricultural sector and value-added manufacturers are expected to be affected due to higher transportation and input costs.

WD will explore opportunities in the following four key areas in Saskatchewan:

Clean Technology

Investments in clean technology commercialization and adoption enable industry stakeholders, communities and other groups to bring new products and services to the marketplace, creating new economic activity while addressing environmental and social needs. WD Saskatchewan will work in collaboration with its partners to advance clean technology commercialization and adoption as a way towards improving the sustainability of Saskatchewan's commercial, industrial and natural resource sectors.

Information and Communication Technology

ICT plays an increasing role in our global economy and is a critical enabler of most sectors of our economy. Canadian small and medium-sized enterprises (SMEs) are lagging behind their foreign

competitors in the level of ICT investment and adoption, leading to significant productivity gaps. WD Saskatchewan will work to increase the level of ICT adoption to improve business productivity and competitiveness of Saskatchewan SMEs.

Life Sciences

Saskatchewan has developed clusters in agricultural biotechnology and vaccination research making it a world-leader in these areas. To further develop and diversify the life sciences sector in the province, WD Saskatchewan will focus on investments in technology commercialization initiatives.

Value-Added Manufacturing

Saskatchewan is the most trade-dependent western province with the majority of its exports coming from the mining, oil and gas extraction industry. WD Saskatchewan will work to create an innovative, competitive and internationally integrated value-added manufacturing sector to help diversify and enhance the Saskatchewan economy's stability.

Manitoba

Buoyed by strong population growth and a diverse economic base, Manitoba's economy fared better than most provinces through the recent recession and is expected to grow at or near the Canadian average in 2011–12. Manitoba's employment growth rebounded in 2010 from almost stagnant levels in 2009 and it will likely remain strong if continuing population growth in 2011 provides sufficient labour supply.

The province's recent economic growth has been led by increases in population and domestic consumption. In 2011, the mining industry, a rebounding manufacturing sector continued population growth and a series of energy-related construction investments in the north are expected to keep the economy growing. Conversely, the agriculture sector may dampen Manitoba's economic prospects due to spring flooding and the impact of low inventory levels, which were drawn down significantly last year.

In Manitoba, WD will focus on the following key sectors:

Aerospace

Manitoba has the third largest aerospace manufacturing sector in the country and considerable strengths in engine maintenance, repair and overhaul. It is also an important industry for Manitoba in regards to industrial and regional benefits and has global importance as a growing centre for cold-weather testing of engines.

Composites / Advanced Manufacturing

Manitoba is a leading composites research and manufacturing centre. In 2010, a Canadian Composites Manufacturing Research and Development consortium was established to bring together major aerospace companies and SMEs to enhance Canada's global competitiveness in composites research. Winnipeg's Composite Innovation Centre is the focal point for the consortium, providing business and project management services and technical support as required.

Functional Foods and Nutraceuticals

Manitoba has a strong agricultural base, having developed a cluster of expertise in functional foods and nutraceuticals R&D and production. Considerable industry interest is being directed toward growing national and export markets in this area. Industry efforts to respond to market opportunities are complemented by research into the relationship between agricultural products and health, which is conducted at the Canadian Centre for Agri-Food Research in Medicine and the Richardson Centre for Functional Foods and Nutraceuticals.

New Media

Manitoba's New Media industry has economic advantages such as a highly skilled and creative workforce (both technical and artistic), competitive salaries, low occupancy costs and an advanced telecommunications infrastructure. Further development is underway to help the sector adapt its products, services and business processes to succeed in global markets.

8. How WD Measures and Monitors its Success

Performance Measurement Framework

As a companion to the Program Activity Architecture (PAA), a Performance Measurement Framework (PMF) has been developed to provide a systematic approach to collecting, analyzing, utilizing and reporting on the department's program activities. Performance measurement ensures greater accountability and transparency, both key to demonstrating value for money and results to Canadians. More than 100 performance indicators measure the impact of Western Economic Diversification Canada (WD) activities. The list below includes the most important indicators that will be closely tracked in 2011–12.

Program Activity	Performance Indicators	Targets	Sub-Activity
Business Development	Number of companies participating in export and market development initiatives	551	Market and trade development
	Direct investment facilitated by WD	\$2.7M	Foreign direct investment
	Number of businesses created, maintained or expanded	2,995 ³²	Improve Business Productivity
	Capital funds provided	\$76.4M ³³	Access to Capital
Innovation	Number of patents filled or issued	40	Technology Adoption & commercialization
	Number of technologies adopted	17	Technology Adoption & commercialization
Community Economic Development (CED)	See Canada's Economic Action Plan (EAP) below.		
Policy, Advocacy and Coordination	Percentage of WD projects completed in 2011–12 that successfully met or exceeded performance targets	85%	
Canada's EAP (not formally considered a program activity under WD's PAA)	Number of jobs created or maintained (Recreational Infrastructure Canada (RInC) program)	652	Community Infrastructure (CED Program Activity)
	Number of new and improved local infrastructure elements (RInC program)	301	Community Infrastructure (CED Program Activity)
	Total infrastructure funding expended (federal, provincial, municipal and private—as a proxy for local economic stimulus) (RInC program)	\$69M	

³² This includes 1447 businesses created, maintained or expanded through the Western Canada Business Service Network.

³³ This includes \$73.4M in capital funds to be provided through the Western Canada Business Service Network.

Like many economic development organizations with programs that contribute to broader macroeconomic results, WD faces the challenge of attributing the impact of its efforts on the development and diversification of the western Canadian economy. Diversifying the department's activities, which range from trade and investment to technology commercialization, has led to the use of more performance indicators. Moreover, WD relies on the organizations it funds to capture performance measurement information and report to the department. However, many funded organizations have different data collection methodologies and lack the capacity and resources to collect and interpret performance data.

To ensure that it can effectively report its results, WD has identified the refinement of its performance measures and an improved demonstration and communication of its results as one of its management priorities in 2011–12.

Audit and Evaluation

WD's [Audit and Evaluation Branch](#) assesses departmental programs, activities, governance, controls and risk management processes and analyzes the relevance and effectiveness of departmental spending. A three-year [Risk Based Audit Plan](#) and five-year [Evaluation Plan](#) guide audit and evaluation activities.

In 2011–12, WD will undertake the audits and evaluations listed in Annex E. Past departmental audit and evaluation reports can be found at [WD's Audit and Evaluation Web page](#). The department responds to audit and evaluation recommendations by developing and implementing action plans.

Client Service Standards

To provide its clients with quality service, WD has adopted the following service standards:

Project Development and Assessment

- WD will contact a client within 12 business days (90 percent of the time) following a preliminary review of a written funding request.
- WD will provide a funding decision to a client within 90 business days (90 percent of the time) of receiving a complete funding proposal. If the 90-day standard will not be met on a project, the client will be contacted on the delay.

Project Payments and Monitoring

- WD will provide a payment claims instruction package to the client within 10 business days (95 percent of the time) of receiving an accepted Letter of Offer from the client.
- WD will issue a claim payment cheque within 15 business days (95 percent of the time) of receiving a complete claim from the client, including all required claim information.

Correspondence

- WD will provide to the Minister responses to Ministerial correspondence within 15 business days. WD will provide responses to letters to the department within 15 business days.

Web Inquiries

- WD will reply to inquiries received through the departmental Web site within three business days for a routine response and six business days if a more complex response is required.

Client Satisfaction Survey

Between November 2010 and February 2011, WD surveyed its clients to determine their level of satisfaction with the services received from WD. According to the results, clients had high satisfaction levels with the overall quality of WD's services. The results also showed that the department was able to maintain strong client satisfaction levels among core clients as well as new Economic Action Plan clients. According to clients, WD staff remains the department's greatest strength.

These survey results will be used to develop the department's *Service Standards Policy*, improve the delivery of current programs and inform the development of future programs and services.

Departmental Audit Committee

In response to the [Federal Accountability Act](#),³⁴ which includes measures to strengthen auditing and accountability in government departments, WD has built its internal audit capacity and appointed an external Departmental Audit Committee (DAC). WD is working to respond to the increased need from Canadians and Parliament to strengthen its management and accountability regimes, while ensuring that it retains the capacity to respond to its partners and the West's economic needs.

The DAC's role is to ensure that the Deputy Minister has independent, objective advice, guidance and assurance on the adequacy of the department's control and accountability processes. To give this support to the Deputy Minister, the DAC, comprising members external to the public service, exercises oversight of core areas of departmental control and accountability.

Management Accountability Framework

The Management Accountability Framework (MAF) sets out the Treasury Board's expectations of senior public service managers for good public service management. The MAF process includes annual assessments used to identify management strengths and weaknesses in departments and agencies. For all departments, Treasury Board of Canada Secretariat (TBS) annually assesses six key areas of management—Values and Ethics, Internal Audit, Evaluation, Financial Management, Integrated Risk Management and People Management. In 2011–12, TBS will also assess Managing for Results, Information Technology Management as well as Investment Planning and Project Management.³⁵

³⁴ <http://www.tbs-sct.gc.ca/faa-lfi/index-eng.asp>

³⁵ Other areas of management may be assessed at the discretion of TBS, with departments informed of the final areas for assessment in September of each year.

Overall, WD has received high MAF assessments for the last four rounds. The department is committed to making continual improvements in its management practices in response to MAF results. MAF results are posted to [TBS' Web site](#).

In 2011–12, WD will:

- Develop action plans in response to results from the last MAF assessment (Round VIII) conducted in 2010–11.
- Submit information as required to TBS for areas of management being assessed (Round IX).

Annex A: Core Resources by Program Activity and Sub-Activity, 2011–12

Program Activity and Sub-Activity	Gs&Cs Planned Approvals ³⁶ (\$ thousands)	Gs&Cs Planned Spending (\$ thousands)	Operating (\$ thousands)	FTEs
Business Development				
Improve Business Productivity	10,200	21,553	5,166	
Market and Trade Development	9,227	11,362	1,211	
Industry Collaboration	0	38	192	
Foreign Direct Investment	1,046	1,154	295	
Access to Capital	300	10,904	662	
Total	20,773	45,011	7,525	82
Innovation				
Technology Adoption & Commercialization	42,979	40,648	2,697	
Technology Linkages	2,000	1,733	377	
Technology Research & Development	2,000	7,364	521	
Community Innovation	500	750	370	
Technology Skills Development	1,700	400	245	
Knowledge Infrastructure	12,700	13,284	780	
Total	61,879	64,179	4,990	62
Community Economic Development				
Community Planning	0	9,922	677	
Community Development	4,587	24,928	1,275	
Community Economic Adjustment	0	0	1,831	
Community Infrastructure	0	0	1,408	
Total	4,587	34,850³⁷	5,191	72
Policy, Advocacy and Coordination				
Collaboration and Coordination	0	22	3,205	
Advocacy	0	0	1,333	
Research & Analysis	300	1,300	3,189	
Total	300	1322	7,727	60
Internal Services				
Total	-	-	24,735	131
GRAND TOTAL	87,538	145,362	50,168	407

³⁶ This includes planned approvals (excluding funding approvals for the Western Canada Business Service Network) that are submitted to Treasury Board as part of WD's Performance Measurement Framework targets.

³⁷ This does not include planned spending for the Recreational Infrastructure Canada program extended to October 31, 2011, under Canada's Economic Action Plan.

Annex B: Core Resources by Program Activity and Region, 2011–12

Program Activity and Region	Gs&Cs Planned Approvals ³⁸ (\$ thousands)	Gs&Cs Planned Spending (\$ thousands)	Operating (\$ thousands)	FTEs
Business Development				
British Columbia	10,500	11,345	1,989	
Alberta	5,123	10,736	2,159	
Saskatchewan	1,950	6,421	1,172	
Manitoba	3,200	10,957	1,877	
Corporate Services	0	5,552	327	
Total	20,773	45,011	7,525	82
Innovation				
British Columbia	17,200	21,013	1,746	
Alberta	14,779	15,355	1,407	
Saskatchewan	10,400	10,535	682	
Manitoba	19,500	11,724	876	
Corporate Services	0	5,552	279	
Total	61,879	64,179	4,990	62
Community Economic Development				
British Columbia	2,000	6,806	1,778	
Alberta	1,587	19,575	582	
Saskatchewan	500	3,437	1,699	
Manitoba	500	3,503	695	
Corporate Services	0	1,530	438	
Total	4,587	34,850³⁹	5,191	72
Policy, Advocacy and Coordination				
British Columbia	300	300	1,107	
Alberta	0	0	1,221	
Saskatchewan	0	0	1,278	
Manitoba	0	0	1,317	
Corporate Services	0	1,022	2,804	
Total	300	1,322	7,727	60
Internal Services				
British Columbia	N/A	N/A	1,646	
Alberta	N/A	N/A	1,845	
Saskatchewan	N/A	N/A	1,166	
Manitoba	N/A	N/A	1,611	
Corporate Services	N/A	N/A	18,466	
Total	N/A	N/A	24,735	131
GRAND TOTAL	87,538	145,362	50,168	407

³⁸ This includes planned approvals (excluding funding approvals for the Western Canada Business Service Network) that are submitted to Treasury Board Secretariat as part of WD's Performance Measurement Framework targets.

³⁹ This does not include planned spending for the Recreational Infrastructure Canada program extended to October 31, 2011, under Canada's Economic Action Plan.

Annex C: Performance Measurement Framework

The Western Economic Diversification Canada (WD) Performance Measurement Framework includes broad macroeconomic indicators that provide context for WD's planning and priority setting. The numerical targets reflect economic forecasts for Western Canada for the 2011–12 planning period. These indicators assist the department in identifying activities and performance measures that respond to western economic conditions.

Strategic Outcome Expected Results	Performance Indicators	Targets
The western Canadian economy is developed and diversified	Real gross domestic product (GDP) growth in Western Canada	3%
	Labour productivity growth in Western Canada, as measured by year-over-year change in real GDP per hour worked	1.2%
	Primary production as a percentage of GDP	14%
	Research & Development (R&D) intensity: gross domestic expenditures on R&D as percentage of GDP	1.4% ⁴⁰

Each program activity also has its own set of broad indicators:

Program Activity	Performance Indicators	Targets
Business Development	Small and medium-sized enterprises (SMEs) revenue (all SME sizes, excluding non-employee SMEs)	\$322M
	SME employment (all SME sizes, excluding non-employee SMEs)	2.5M
	Annual international trade: value of exports excluding primary production sectors	\$38.5B ⁴¹
Innovation	Total income from the commercialization of intellectual property	\$20.4M ⁴²
	Business expenditure on R&D as percentage of total employment	0.55%
	Employment in natural and applied science and related occupations as a percentage of total employment	6.5%
Community Economic Development (CED)	Employment: number of new jobs created	39,000
	Percentage of key informants with the opinion that WD delivery of infrastructure programs resulted in investments that reflect western Canadian infrastructure priorities	50%
Policy, Advocacy and Coordination	Percentage of key informants with the opinion that WD activities provide policies and programs that support the economic development of Western Canada	N/A ⁴³
	Percentage of WD projects completed in 2011–12 that successfully met or exceeded performance targets	85%
Canada's Economic Action Plan (CED Program Activity)	Number of jobs created or maintained (Recreational Infrastructure Canada (RInC) program)	652
	Number of new and improved local infrastructure elements (RInC program)	301
	Total infrastructure funding expended (federal, provincial, municipal and private—as a proxy for local economic stimulus) (RInC program)	\$69M

⁴⁰ 1.4 percent is 0.1 percentage point above the five-year western Canadian average.

⁴¹ \$38.5 billion represents a 10-percent growth.

⁴² \$20.4 million represents a 7.3-percent growth over the three-year average.

⁴³ This survey is conducted every five years and was last completed in July 2009.

Annex D: Corporate Functions and Services

Policy and Strategic Direction includes the following key areas:

1. Corporate Policy and Programs (CPP) leads the establishment of strategic policy priorities for the department and provides corporate leadership for program and funding renewals as well as research and policy analysis. CPP is also responsible for the department's planning, reporting and performance measurement and ensures that departmental standards for due diligence in grants and contributions management are followed.

Priorities for 2011–12:

- reviewing the project approval process;
 - undertaking program management-related activities such as renewals, wind-downs, extensions and modernizations;
 - advancing the quality of Western Economic Diversification Canada (WD) performance information and reporting;
 - revising WD's Performance Measurement Framework and Program Activity Architecture;
 - better aligning and coordinating the suite of departmental planning processes and documents;
 - developing a departmental research plan;
 - transferring knowledge to core programming of lessons learned and good practices from delivering the Community Adjustment Fund and the Recreational Infrastructure Canada program.
2. Corporate Secretariat manages the Executive Committee's agenda; manages ministerial and senior executive approval of reports, documents and correspondence; and provides oversight of the department's overall forward agenda.

Priorities for 2011–12:

- continuing the development of internal processes and procedures;
 - standardizing briefing note guidelines;
 - establishing WD's document tracking system governance;
 - providing departmental training.
3. Corporate Consultation, Marketing and Communications (CMC) is responsible for internal and external communications in support of WD's strategic outcomes, priorities and results.

In 2011–12, CMC will focus on implementing WD's Communications Strategy, providing strategic communications services to the Minister and clarifying the CMC mandate.

4. Strategic Policy and Advocacy (SPA) advocates and advances the economic and policy interests of Western Canada in Ottawa. SPA works with CPP and the regional offices to provide strategic advice to the Minister on items going before Cabinet and other government priorities; leads or supports WD engagement in the development of Memoranda to Cabinet and Treasury Board submissions; represents WD and the interests of Western Canada on numerous federal

decision-making fora; and provides leadership for the department in identifying potential industrial and regional benefit opportunities for western Canadian aerospace and defence industries from the procurement of major military and other federal projects.

In 2011–12, priorities include developing a strategic policy framework to outline the department's policy priorities; conducting outreach to key federal and provincial partners; and optimizing opportunities for the West related to national defence and security initiatives and *The Industrial and Regional Benefits Policy*.

The **Finance and Corporate Management** branch includes four key areas:

1. Finance and Management Accountability is responsible for ensuring the integrity of WD's financial management system, the overall stewardship of the department's financial resources and financial reporting. Finance and Management Accountability continues to place a high priority on meeting expectations for financial governance, internal controls and financial management systems.

Priorities for 2011–12 include meeting the new external reporting requirements for quarterly reports and future oriented financial statements as well as implementing the financial monitoring framework in compliance with the new [Policy on Internal Control](#).

2. Human Resources provides the leadership and framework for the management of departmental human resources. WD is committed to excellence in people management, to Public Service Renewal and to sustaining the necessary complement of qualified, motivated and knowledgeable staff to deliver on WD's mandate and contribute to federal priorities.

Priorities for 2011–12 include activities in support of employee development, renewing the workforce and workplace as well as improving WD's performance management processes (refer to Section 5).

3. Information Management and Technology⁴⁴ (IMT) ensures WD has the relevant leadership, technologies and information systems to enable complete, accurate and timely information for efficient and effective business analysis, decision making and reporting.

In 2011–12, IMT will continue to engage in activities that support the departmental IM priority. Additional priorities for 2011–12: i) provide a safe, secure, reliable and available network infrastructure enabling employees to effectively use technology to communicate, collaborate, meet business expectations and demonstrate results; and ii) maintain existing corporate applications which provide human resource services, financial services, project lifecycle management, results and reporting, document tracking and the department's public Web site.

4. Corporate Administration leads and coordinates the development, implementation and monitoring of departmental administrative policies. This includes Access to Information and

⁴⁴ Additional information on WD's information management priorities is found in Section 6 of this report under Management Priorities.

Privacy, corporate security, occupational health and safety, accommodations, procurement or contracting oversight, material and asset management, telecommunications, relocation and proactive disclosure of contracts over \$10,000 and travel and hospitality expenses.

Priorities for 2011–12 include the development of a departmental Emergency Management Plan, carrying out activities and tasks identified in the annual security plan and staff training and awareness building.

The **Audit and Evaluation Branch** provides audit and evaluation services that help WD to achieve management excellence. Pursuant to the [*Public Servants Disclosure Protection Act*](#), the Audit and Evaluation branch coordinates any necessary investigations and makes recommendations to the Deputy Minister of alleged wrongdoing. Internal audit provides assurance services on governance, controls and risk management processes. Evaluation analyzes the relevance and performance of government spending.

Planned audits and evaluations are described in Annex E.

Annex E: Planned Audits and Evaluations

Audit Plan, 2011–12

Project, Scope, Objectives	Rationale for Conduct
<p>Carry Forward: Grants & Contributions (Gs&Cs) – Monitoring & Payments</p> <p>Regular monitoring for both financial and non-financial requirements towards desired results. Compliance with terms and conditions of contribution agreements.</p> <p>[Expected Start Q1 & Completion Q 2]</p>	<p>Links to Core Controls:</p> <ul style="list-style-type: none"> Governance Policy & Programs Citizen-Focus Risk Management Stewardship Accountability Learning/Innovation Results/Performance
<p>Carry Forward: Information Management and Technology (IMT) Governance</p> <p>Adequacy and effectiveness of the IMT governance framework and the IT asset management functions, including investment planning, lifecycle.</p> <p>[Outsource – Expected Start Q1 & Completion Q 2]</p>	<p>Links to Core Controls:</p> <ul style="list-style-type: none"> Governance Citizen-Focus Risk Management Stewardship Accountability Learning/Innovation Results/Performance
<p>Year-End Procedures</p> <p>Adequate financial and non-financial controls are in place to manage the transactional and reporting complexities around fiscal year-end.</p> <p>[Expected Start Q2 & Completion Q 3]</p>	<p>Links to Core Controls:</p> <ul style="list-style-type: none"> Governance Citizen-Focus Risk Management Stewardship Accountability Learning/Innovation Results/Performance
<p>Gs&Cs – Project Performance Information</p> <p>Results from information on financial and non-financial performance projects are documented and communicated to the required management level and stakeholders promptly. Processes and systems exist to enable roll-up and continuity of information systems. Planning and scope of this audit will be carefully integrated with the audit of Departmental Performance Measurement (refer to item No. 5 below).</p> <p>[Expected Start Q1 & Completion Q3]</p>	<p>Links to Core Controls:</p> <ul style="list-style-type: none"> Policy & Programs Citizen-Focus Risk Management Stewardship Accountability Results/Performance
<p>Departmental Performance Measurement</p> <p>Relevant information on results, internal operations and programs is gathered and used to make departmental</p>	<p>Links to Core Controls:</p> <ul style="list-style-type: none"> Governance

<p>decisions and public reporting is balanced, transparent and easy to understand. Planning and scope of this audit will be carefully integrated with the audit of Project Performance Information (refer to item No. 4 above).</p> <p>[Expected Start Q3 and Completion Q4]</p>	<p>Policy & Programs Citizen-Focus Risk Management Stewardship Accountability Learning/Innovation Results/Performance</p>
<p>Follow-up Audit – Financial Readiness Assessment</p> <p>Follow-up audit of the contracted readiness assessment, which was a study on the department’s financial reporting key control processes and entity wide controls. The audit will focus on those areas where the report deemed the controls weak or ineffective.</p> <p>[Expected Start Q3 and Completion Q4]</p>	<p>Links to Core Controls:</p> <p>Governance Policy & Programs People Risk Management Stewardship Accountability Results/Performance</p>
<p>Follow-up on past recommendations</p> <p>Effective management action plans are implemented. Communicate any significant residual risk.</p> <p>[Expected Completion Q 2 and Q 4]</p>	<p>Links to Core Controls:</p> <p>Risk Management Stewardship Accountability</p>

Planned Evaluations, 2011–12

Project, Scope, Objectives	Rationale and Comments
<p>Western Economic Partnership Agreement (WEPA) Impact evaluation focused on WEPA’s relevance and performance (efficiency, effectiveness and economy).</p>	<p>Included in the 2008 WDP Evaluation. Evaluation needed for renewal purposes</p>
<p>Innovation Impact evaluation of WDP activities related to innovation.</p>	<p>This evaluation will focus on innovation Program Activity in the Program Activity Architecture.</p>

Annex F: Internal and External Communications

The Government of Canada's Communications Function

Communications is central to the Government of Canada's work and management and is a shared responsibility involving officials and employees at all levels. As a function of good management, open and proactive communications ensure that both internal and external audiences receive departmental information and that the views and concerns of all audiences are considered in the planning, management and evaluation of policies, programs, services and initiatives. This requires both providing information and listening to audiences, in their official language of choice and producing information in multiple formats to accommodate diverse needs.

COMMUNICATION FUNCTION SERVICES	
Effective and Accountable Management	<ul style="list-style-type: none"> • Preparing and implementing communication plans and strategies in support of departmental policies, programs, services and initiatives • Providing communications support and advice to ministers and senior officials on government matters, including the preparation of speeches, news releases and correspondence
Values and Ethics	<ul style="list-style-type: none"> • Being responsible for information about policies, programs, services and initiatives • Providing useful, timely, accurate, clear, objective and complete information to Canadians in both official languages
Listening and Evaluating	<ul style="list-style-type: none"> • Researching and analyzing public issues and the public environment to help identify and assess Canadians' wants, needs and views with respect to existing or proposed policies, programs, services and initiatives • Providing and co-ordinating media monitoring services
Meeting Diverse Needs	<ul style="list-style-type: none"> • Preparing, producing and disseminating information using all forms of media • Communicating in both official languages
Outreach	<ul style="list-style-type: none"> • Building, maintaining partnerships with various sectors of society • Planning, co-ordinating and promoting the government's participation in public events
Corporate Identity and Visibility	<ul style="list-style-type: none"> • Enabling Canadians to recognize clearly Government of Canada activities • Reflecting key government themes and messages in information and materials so overarching goals and government priorities are consistently identified to public and employees

WD's Communications Function

The Communications function within Western Economic Diversification Canada (WD) encompasses a wide range of activities that contribute towards achieving the department's strategic outcomes and objectives. Through coordination and consultation with senior departmental officials and program or policy units, the department's program activity areas include communications priorities in both corporate and regional offices.

A wide range of information tools are employed to ensure WD stakeholders, both internal and external, receive timely and relevant information on WD's programs and services, while also fostering opportunities for effective two-way communication. Examples of specific activities in 2010–11 have included the implementation of plans and strategies concerning public announcements, management of events and news conferences, development of written materials and publications for internal and external use, environmental and media monitoring and analysis, translation services, electronic communications as well as media relations. Communications also works closely with the Minister's Office to ensure a coordinated approach to departmental communications and Ministerial announcements. Taken together, these activities are part of the coordinated approach to connect with a wide variety of audiences and to meet a diverse range of information needs.

WD PRIMARY COMMUNICATION SERVICES	
Strategic Communications	<ul style="list-style-type: none"> Departmental Communications Strategy establishes communications priorities that are consistent with overall Government of Canada, departmental and ministerial objectives.
Internal Communications	<ul style="list-style-type: none"> WD's Internal Communication plan will foster two-way dialogue among managers and employees and ensure that quality information is available for WD staff.
Electronic Communications	<ul style="list-style-type: none"> WD ensures that appropriate Web-based approaches, application and technologies are implemented to support departmental communications. WD is assessing the impact of emerging trends and technologies and is seeking appropriate opportunities for uses of various media applications.
Translation Services	<ul style="list-style-type: none"> WD identifies and respects all official language requirements that apply when engaging and implementing its communication activities.
Event Management	<ul style="list-style-type: none"> WD identifies opportunities to inform its audiences about significant Government of Canada and departmental initiatives and contributions. WD co-ordinates and implements events and announcements.
Media Monitoring and Analysis	<ul style="list-style-type: none"> WD manages departmental media relations through monitoring, planning, issues management, product development and delivery.
Media Relations	<ul style="list-style-type: none"> WD develops key messages around anticipated communications issues and develops responses to all media enquiries. WD proactively targets specialized trade and industry media to

	inform them of the department's relevant work in their sectors.
Risk Communications	• WD identifies and analyzes risks, issues and mitigation strategies.
Corporate Publications	• WD is assessing its current suite of publications and their distribution to ensure that the right messages get to the right people.

Departmental Communications Strategy

As part of WD's ongoing commitment to highlighting the positive impact of the department's investments and activities throughout Western Canada, WD will be implementing an integrated communications strategy in 2011–12. The strategy's purpose is to ensure a consistent and comprehensive approach to communicating WD's story to key partners, stakeholders and Canadians. While the implementation of the strategy will be led by Corporate and Regional Communications, the involvement and support of staff and units across the department will be encouraged to ensure the strategy's success.

OBJECTIVES – WD COMMUNICATION STRATEGY (TO BE IMPLEMENTED IN 2011–12)

WD has a consistent storyline and a recognizable brand

Canadians have a better understanding of the impact of WD contributions, programs and investments

Prospective projects, proponents and investors are aware of WD and how the department can help them

Businesses and industry have a greater understanding of WD

Key federal ministers and departments see WD as a partner in support of their priorities

Staff have consistent and coherent department-wide messaging on WD priorities

Annex G: Investment Plan – Assets and Acquired Services

Table 1 – Investment Plan by Category (\$ thousands)

	2011–12	2012–13	2013–14	2014–15	2015–16
Assets	291	398	323	211	210
Acquired Services	3,016	2,354	2,524	2,324	2,300
Projects <1M	738	390	362	0	0
Total	4,045	3,142	3,209	2,529	2,609

Table 2 – Planned Investments by Program Activity (\$ thousands)

	2011–12	2012–13	2013–14	2014–15	2015–16
Business Development	863	648	642	529	522
Innovation	863	648	642	529	522
Community Economic Development	863	647	642	529	522
Policy, Advocacy & Coordination	795	712	692	596	597
Internal Service	661	487	591	346	446
Total	4,045	3,142	3,209	2,529	2,609

Table 3 – Investment Plan by Investment Class (\$ thousands)

	2011–12	2012–13	2013–14	2014–15	2015–16
Assets:					
Equipment & Accommodation	11	21	8	10	10
IM/IT (Hardware/ Software)	280	377	315	195	200
Total Assets	291	398	323	205	210
Acquired Services:					
Information Management and Technology	1,224	1,224	1,224	1,224	1,224
Professional Services & Consulting	1,492	830	1,000	800	875
Translation	300	300	300	300	300
Total Acquired Services	3,016	2,354	2,524	2,324	2,399

Table 4 – Investment in Projects

Project Investments (\$ thousands)	Cost	Fiscal Years
1. Client Relationship Management	128	2011–12
2. Information Management	277	2011–12
3. Online Payment & Claims	76	2011–12
4. IPA/PAT Module Rewrite	371	2011–14
5. Decoupling of GX	309	2011–13
6. Service Desk	55	2011–12
7. Versioning	274	2012–14
Total	1,490	

Project Descriptions:

- 1) **Client Relationship Management** – a system to capture client contact information.
- 2) **Information Management** – fully integrated physical and electronic business system.
- 3) **Online Claims** – integrate current claims, payments and leveraging information.
- 4) **Rewrite** pre-2005 modules of Gateway to Microsoft.NET.
- 5) **Decouple** the departmental financial system GX from Gateway.
- 6) **Service Desk** – enhance the response and tracking of requests from WD's user community.
- 7) **Versioning** – capability development to track successive versions of contribution agreements.

