

## **Western Economic Partnership Agreements Evaluation Management Response**

Western Economic Partnership Agreements (WEPA) were a multi-year federal-provincial decision-making tool designed to identify and invest in projects that strengthen economic activity. Through individual agreements signed with each provincial government in Western Canada, Western Economic Diversification Canada (WD) and the respective provincial government provide a matching contribution, enabling significant investments in projects that support national economic priorities while responding to the unique opportunities within each province.

Although the 2011 evaluation of WEPA did not have any specific recommendations, WD has reviewed and is providing the following response to the key conclusions.

### **RELEVANCE**

#### **1. The need exists for economic development projects in western Canada.**

**Agreed** – WD agrees with the evaluation’s conclusion that economic development projects, like those that it has funded under WEPA, are still needed because they support critical areas of the economy. Many of the projects funded under WEPA could have been done within WD’s existing programs.

The Western Diversification Program provides ongoing capacity and flexibility to jointly fund initiatives with the provinces through eligible organizations. New programming will create additional opportunities for WD to work with provinces to engage new clients on projects focused on technology commercialization and international trade.

#### **2. The projects funded were aligned with departmental strategic outcomes and government-wide priorities, and were consistent with the priorities of the federal government.**

**Agreed** – WD agrees with the evaluation’s conclusion that projects funded were consistent with the federal government’s agenda in Western Canada and departmental priorities. WD believes that moving forward without a formal federal-provincial agreement will improve the ability of both WD and the provinces to more quickly to adjust to any changes in priorities required to address a specific economic reality.

### **PERFORMANCE (EFFICIENCY, EFFECTIVENESS AND ECONOMY)**

#### **3. Although most of the projects are still ongoing, there has been significant progress made already towards meeting their objectives and generating expected impacts.**

**Agreed** – WD recognizes the importance of working with the provinces to advance economic development priorities and diversification objectives for Western Canada. The solid foundation built over the past 22 years assures that, moving forward, WD will continue to work with the provinces to invest in projects that will support communities, jobs and growth in the West without the need for a formal federal-provincial agreement.

WD agrees that the 38 percent of projects which have been completed have demonstrated significant progress towards achieving their objectives. WD will continue to actively monitor and report on the remaining projects throughout their life cycle through regular department performance reporting processes.

**4. The WEPA decision making process had both some benefits and challenges.**

**Agreed** –WD recognizes the importance of working with the provinces to advance economic development priorities and diversification objectives for Western Canada. WD believes the absence of a formal federal-provincial agreement will provide even greater flexibility while removing some of the administrative challenges such as complexity of the project approval process, a lack of coordination in performance reporting requirements and challenges in defining new joint priorities. Taking a more flexible approach will allow WD to continue to invest in collaborative projects; encourage cooperation with the provinces; and remove administrative challenges.

**5. The funded projects leveraged significant funds from other sources.**

**Agreed** – Project proponents noted that departmental funding of projects signals government support, which helps to provide market credibility as well as attract additional private sector funding and participation. This will not change in the absence of a formal federal-provincial agreement.

WD will continue to invest in projects and no reduction in funding available is planned in any western province as a result of this decision. New programming will create additional opportunities for WD to work with provinces to engage new clients on projects focused on technology commercialization and international trade and a more explicit engagement of industry will also facilitate greater private sector investment, share the risk and increase the potential for long-term economic growth.

**6. Key informants provided a variety of suggestions for improvement.**

**Agreed** - In launching of the new Community Infrastructure Improvement Fund, WD is piloting the use of an online application and a new Client Relationship Management program, which will improve the application and review processes and facilitate better communication. The lessons learned from this pilot will be applied to other departmental programs and address some of the suggestions made by key informants as part of the WEPA evaluation.

**CONCLUSION:**

Although the department has decided to not enter into formal federal-provincial agreements, WD will continue to work closely with the provinces and industry to invest in initiatives that support communities, jobs and growth in the West.