

Canada-Manitoba

Economic Partnership Agreement

2008-2009

Annual Progress Report

Canada



Message from the Federal and Provincial Ministers Responsible for the Canada-Manitoba Economic Partnership Agreement



The Honourable Lynne Yelich
Minister of State for
Western Economic
Diversification Canada



The Honourable Peter Bjornson
Minister responsible for
Manitoba Entrepreneurship
Training and Trade

Over the past few years, the federal and provincial governments have worked together in partnership with community stakeholders to successfully meet the Canada-Manitoba Western Economic Partnership Agreement (WEPA) program goals to build Manitoba's economy and create sustainable communities throughout the province.

The 2008-09 fiscal year marked the fifth year of the current WEPA. Based on the successes of this agreement, on January 22, 2009, the governments of Canada and Manitoba proudly renewed the Canada-Manitoba WEPA for an additional four years. The renewed WEPA will provide a \$50 million joint federal-provincial investment towards continued economic development initiatives in Manitoba.

The new agreement will fund projects focusing on five new strategic priorities. These priorities include: knowledge-based research and development; increased value-added production; trade and investment promotion; enhanced productivity and competitiveness; and promotion of economic development through tourism opportunities.

While developing collaborative relationships with business, non-profit and local organizations, our WEPA efforts will continue to capitalize on Manitoba's many strengths including; a productive, work force; an extensive transportation network that is both flexible and cost-effective; a tradition of entrepreneurial achievement; and an abundance of natural resources.

In the year ahead, we look forward to the launch of projects under the renewed Economic Partnership Agreement, as we continue to contribute to Manitoba's economic prosperity.

Message from the Federal and Provincial Co-Chairs



Marilyn Kapitany
Assistant Deputy Minister
Western Economic
Diversification Canada



Hugh Eliasson
Deputy Minister
Manitoba Entrepreneurship
Training and Trade

The 2008-09 fiscal year saw the completion of the majority of projects approved under the current WEPA as the 2003 Agreement drew to a close. Some of the current WEPA highlights in 2008-09 included the announcement of WEPA support towards the creation of a new Aerospace Technology and Training Centre at Red River College, the launch of a comprehensive Aboriginal Tourism Development and Marketing Initiative by Eastside Aboriginal Sustainable Tourism, and the construction of two mobile training labs to allow Red River College to train in Manitoba's rural communities. As per the current WEPA Master Agreement, the remaining projects must be completed by September 30, 2009.

Together with other stakeholders, Canada and Manitoba have worked towards strengthening Manitoba's economic diversity through innovation, building on existing advantages, creating new employment opportunities and enhancing economic growth. We are pleased to report that all WEPA projects have been undertaken with a high degree of cooperation between federal, provincial and community stakeholders, achieving results which have benefitted all Manitobans.

We look forward to realizing the same degree of success with projects that will be launched under the renewed WEPA.

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Agreement Overview

Under the Canada-Manitoba Western Economic Partnership Agreement (WEPA), the governments of Canada and Manitoba continue to work together and in partnership with community stakeholders to promote and support long-term, sustainable economic development in Manitoba.

The master WEPA agreement, signed on December 1, 2003, provides \$50 million over five years for programs and projects, made up of matching contributions of \$25 million each from Canada and Manitoba towards the strategic priorities – Building our Economy and Sustainable Communities. All funds under this agreement were approved as of March 31, 2008, and projects must be complete by September 30, 2009.

A renewed four-year Canada-Manitoba Economic Partnership Agreement, consisting of \$50 million (\$25 million provincial contribution, \$25 million federal contribution) was signed January 22, 2009. This renewed WEPA will focus on the following strategic priorities:

- Supporting Knowledge-Based Research and Development;
- Increasing Value-Added Production;
- Supporting Trade and Investment Promotion;
- Enhancing Productivity and Competitiveness;
- Promoting Economic Development through Tourism Opportunities



The Honourable Lynne Yelich (left) and the Honourable Andrew Swan signing the Renewed Canada-Manitoba Economic Partnership Agreement

Administration

A federal-provincial management committee administers the Canada-Manitoba Economic Partnership Agreement (WEPA) with representation from Western Economic Diversification Canada (WD) and Manitoba Competitiveness, Training and Trade. The management committee establishes strategic priorities and administrative guidelines for the application; review, assessment, approval and implementation of projects; as well as to ensure appropriate program reporting and evaluation.

Canada

Canada's Minister of Western Economic Diversification is the federal minister responsible for the WEPA. Investments in WEPA, provided through WD, are intended to create new employment opportunities, support economic infrastructure, and promote entrepreneurship.

An outline of WD programs and services is available online at:
www.wd-deo.gc.ca

Manitoba

Manitoba's Minister of Competitiveness, Training and Trade (CTT) is the provincial minister responsible for the WEPA. Provincial administration is through the Canada-Manitoba Infrastructure Secretariat with project funding provided through CTT.

Through the WEPA, Manitoba cost-shares priorities supportive of the *Action Strategy for Economic Growth*, current and renewed, developed by the Premier's Economic Advisory Council, *Manitoba Budget 2009*, *Manitoba's Innovation Framework* and the *Northern Development Strategy*.

More information on these strategies can be found on the Government of Manitoba website at:
www.gov.mb.ca
www.gov.mb.ca/finance/budget09

Projects Announced in 2008-2009

The following WEPA projects were announced during the 2008-2009 fiscal year:

**Manitoba Audio Recording Industry Association
Manitoba Music and Motion Pictures Development Project (M3P) -
One year extension**
WEPA Funding- \$300,000
Announced on April 18, 2008

The joint M3P initiative has been credited as one of the driving factors behind the exceptional growth of Manitoba's film and music industries over the last several years. Through this WEPA funding, the M3P project was extended for one additional year, until March 31, 2009. During this time, the Manitoba Audio Recording Industry Association and On Screen Manitoba will continue to provide corporate and professional development activities for members.

Red River College – Mobile Training Labs

WEPA Funding - \$3,120,000

Announced on May 9, 2008

Red River College is bringing trades training to rural communities with two mobile training labs. Each lab is contained in a 53-foot trailer that can quickly transform into a 950 square foot unit. Diesel generators supply the necessary power to operate electrical equipment, as well as lighting, heating and air conditioning. Supply trailers, housing materials, training aids, and additional tools and equipment also connect to the mobile lab, increasing the facility space to almost 2,000 square feet.

The portability and mobility of the training labs allow the college to deliver nationally-recognized trade training, such as automotive service technician, carpentry, electrical, machining, pipe fitting, plumbing, welding and industrial mechanics, to rural Manitobans. The labs also increase accessibility for students in rural areas to training programs and link training opportunities with community-based projects and emerging industries.



Dr. Jeff Zabudsky (left), then-President and CEO of Red River College, explains to the Honourable Andrew Swan (centre) and the Honourable Vic Toews how the mobile training lab is equipped with an onboard diesel generator room, used to supply the power necessary to deliver state-of-the-art skilled trades training.

Eastside Aboriginal Sustainable Tourism (EAST) Inc. - Aboriginal Tourism Economic Development Initiative

WEPA Funding - \$245,000

Announced on June 20, 2008

Eastside Aboriginal Sustainable Tourism (EAST) Inc. launched a comprehensive Aboriginal tourism development and marketing initiative. The project includes working with communities to identify Aboriginal tourism assets; develop tourism business opportunities; facilitate Aboriginal tourism training; establish a network of Aboriginal tourism operators; market and advertise tourism products, and increase the number of tourism visits.

The initiative is expected to increase the number of sustainable, locally-owned Aboriginal businesses operating along the east side of Lake Winnipeg and provide new tourism-related employment opportunities for residents, including youth.

Red River College – Centre for Aerospace Technology and Training

WEPA Funding - \$1,263,000

Announced on January 22, 2009

Working in consultation with industry representatives, the new Centre complements existing facilities and ensures the long-term competitiveness of Manitoba's aerospace sector while promoting local trades training and employment. The Centre focuses on technology research and development in key areas of the aerospace sector and is the first in Canada to make these new technologies available to industry. The Centre has purchased specialized equipment, such as advanced laser welding, automated laser cladding and cutting, and a hot section coating system. All equipment is used for research, teaching and production.



The Honourable Andrew Swan (far left) and the Honourable Lynne Yelich (right) view a demonstration of the robotic laser at the CATT Project funding announcement.

Project Performance Highlights: 2008-2009

Since the current WEPA Agreement was signed December 1, 2003, a total of 43 projects have been announced, leveraging investments of approximately \$86 million overall by project partners.

Twenty eight projects are now complete. These completed projects are identified on the list of approved and announced WEPA projects provided on page 8 of this report.

The remaining projects are ongoing initiatives, scheduled for completion by September 30, 2009. Some of the performance highlights for these projects are listed below:

Composites Innovation Centre (CIC)

WEPA Funding - \$6,622,000
Announced on March 20, 2006

Winnipeg's CIC provides project management, engineering consulting, process development and testing services to support industry in developing and commercializing composite materials, products and processes focusing on sectors such as the aerospace, bio-materials, ground transportation, and civil infrastructure sectors. Project successes in 2008-2009 include the formation of a new partner network – the Biocomposites International Research Network, with members in New Zealand, Australia and South Africa, and the creation of two new jobs directly related to the composites industry. The CIC also completed 39 projects, nine of which were rural-based; and facilitated two new technology transfers to Manitoba companies.

Economic Development Council for Manitoba Bilingual Municipalities (CDEM) and Entreprises Riel – Tourism and Economic Development Initiatives Strategic Plans

WEPA Funding - \$661,300
Announced on September 7, 2007

CDEM successfully focused on developing Manitoba's Francophone tourism sector, including expanding and identifying tourism markets regionally, nationally and internationally. Activities include participation in trade shows, and collection and analysis of local tourism data in order to identify future target markets. To promote Francophone tourism in Manitoba, CDEM provided support to its 17 bilingual municipalities to assist with planning and developing tourist attractions.

By March 31, 2009, CDEM reported 36 Francophone tourist attractions in Manitoba, exceeding its goal of 35 one year earlier than anticipated. CDEM also increased the number of tourism packages developed from 13 to 16, including international and regional packages that were presented to tour operators at various trade shows. These packages will be presented at the much anticipated Manitoba Homecoming 2010.

Looking ahead, CDEM's upcoming projects include:

- Assisting four bilingual municipalities to implement a plan to go green and reduce greenhouse gas emissions by 20 percent. A key component aims to encourage municipalities to identify innovative projects that will enable them to reach their goals. CDEM is coordinating this effort in collaboration with Intergovernmental Affairs and Green Manitoba, supporting its municipalities by locating funds for their projects. Conclusive results will be available at the end of 2012.

- Focusing services and support to businesses in the cultural sector, including music and film, similar to the support CDEM currently provides to the tourism sector.

Agence nationale et internationale du Manitoba

WEPA Funding - \$1,537,600

Announced on September 7, 2007

Agence nationale et internationale du Manitoba (ANIM) offers services to organizations in Manitoba wanting to expand their presence in francophone markets. The agency's main objective is to promote Manitoba's economy. Its key activities include service provision, participating in international economic missions, networking, research marketing and export planning. These activities have led to seven new formal industry partnerships with five additional partnerships in development.

Since 2007, ANIM's business immigration activities have attracted 43 francophone newcomers from Belgium and France. It is anticipated that this number will reach 60 by 2010. On March 31, 2009, business immigration activities resulted in over \$5 million in direct economic spin-offs in Manitoba. In addition, ANIM's economic missions to francophone markets seeking new trade and investment opportunities have generated an estimated \$550,000 in local economic spin-offs.

FPInnovations – Forintek Division -Value-Added and Wood Technology Program Extension

WEPA Funding - \$1,178,000

Announced on January 17, 2008

Forintek's Value-Added and Wood Technology Program (VAWT) promotes the solid wood products industry while focusing on the manufacturing sector, and First Nations, northern and rural communities. Working closely with local companies, Forintek has built a strong presence in Manitoba and has successfully increased industry profitability, improved sustainability, improved processing efficiency and product diversification. As a result of the VAWT program, wood product manufacturers have reported enhanced productivity, lower production costs, and increased revenues for every dollar invested in capital improvements, plant flow changes and materials.

As part of the VAWT program, Forintek developed technical literature and information and delivered 14 workshops and seminars educating industry on market opportunities, lean manufacturing, and operational practices. Forintek also offered advising services in Winnipeg and northern Manitoba to assist companies with technical inquiries and operational challenges. As well, the VAWT program, provided guidance and assistance to First Nations communities with sawmilling and log home business development to address the housing short-fall in their communities.

Canadian Manufacturers & Exporters (CME)-Advanced Manufacturing Initiative

WEPA Funding - \$1,200,000

Announced on February 19, 2008

CME's Manitoba Division – Advanced Manufacturing Initiative (AMI) assists companies by training workers to implement “lean” manufacturing. These principles focus on streamlining manufacturing processes to increase productivity, customer satisfaction, employee morale, and business success. In 2008-2009, 60 informal consortia tours and 15 special interest group events were held. To date over 140 manufacturing employees have graduated from AMI's lean certification programs. In addition, the AMI has hosted several lean awareness events including two Manitoba trade conferences and an information session for management students. Since the AMI program started, more than 4,400 Manitoba manufacturing employees have participated in over 50,000 hours of AMI activities, including lean training, human resource development, advanced manufacturing and hands-on consulting.

List of Announced Projects by Strategic Priority January 1, 2004 to March 31, 2008

Building Our Economy

The ***Building Our Economy*** strategic priority aims to strengthen the competitiveness and diversity of Manitoba's economy through research and development projects, building on Manitoba's emerging economic clusters, such as advanced manufacturing, aerospace, life science-biotechnologies, cultural and new media technologies, and environmental industries, including alternative energy developments. This priority also encourages the manufacturing and service industries to adopt and develop new processes and techniques to improve productivity and international competitiveness.

“X” denotes a completed project (all WEPA funding distributed)

Project Proponent	Project Title	WEPA Funding	Date Announced	
Canadian International Grains Institute	Advanced Pilot Cereal Testing, Training and Demonstration Centre	\$499,360	Nov 23/07	X
Canadian Manufacturers and Exporters – Manitoba Division	Advanced Manufacturing Initiative Part 1	\$1,845,000	Feb 4/05	X
	Advanced Manufacturing Initiative Part 2	\$1,200,000	Feb 19/08	
Churchill Gateway Development Corporation	Market Research and Development Initiative	\$2,000,000	May 4/05	
Composites Innovation Centre	Research and Product Development Centre – Part I	\$2,000,000	May 21/04	X
	Research and Product Development Centre – Part II	\$6,622,000	Mar 20/06	
Film Training Manitoba	Senior Film Crew Training	\$260,500	Apr 20/06	
FP Innovations - Forest Engineering Research Institute of Canada	Forest Innovation Program	\$477,400	Sep 11/07	
FP Innovations - Forintek Division	Value-Added and Wood Technology Program – Part 1	\$1,037,200	Mar 12/04	X
	Value-Added and Wood Technology Program Part 2	\$1,178,000	Jan 17/08	
	Wood Finishing Specialist	\$75,000	Nov 14/06	X
Manitoba Hydro – Selkirk Laboratory	Biodiesel Fuel Testing Centre	\$351,500	Jul 5/07	X
Manitoba Motion Pictures and Manitoba Audio	Manitoba Music & Motion Pictures	\$2,400,000	Nov 9/04	X
Recording Industry Associations	Development Project – Phase 2			
Red River College and University of Manitoba	Joint Manufacturing Training Facility	\$1,102,000	Apr 12/07	X
St. Andrews Airport Inc.	Airport Business Plan	\$60,000	no formal announcement	X

University of Manitoba – Faculty of Agriculture and Food Sciences	Distiller’s Dried Grain Research Project	\$202,820	Aug 16/07	
University of Manitoba	Nano-System Fabrication Laboratory	\$1,240,000	Jun 29/06	X
Vehicle Technology Centre	Supplier Development Program	\$1,500,000	Jul 27/06	
Winnipeg 2005 Host Committee	2005 Juno Awards	\$550,000	Jan 10/05	X
Winnipeg Regional Health Authority – Deer Lodge	Movement Disorders Clinic (Women’s Tribute Memorial Lodge)	\$370,000	Apr 25/05	X

Sustainable Communities

The *Sustainable Communities* strategic priority supports leaders in urban, rural and northern Manitoba to identify opportunities for local development through tourism, ecotourism, forestry and fishing; and contributes to investments in infrastructure and diversification to sustain rural communities.

‘X’ denotes a completed project (all WEPA funding distributed)

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Project Proponent	Project Title	WEPA Funding	Date Announced	
Centre Culturel Franco-Manitobain (CCFM) and le Cercle Molière	CCFM Renovations and Cercle Molière Theatre Construction	\$1,425,000	Nov 8/04	
Community Economic Development Fund	Northern Producers Recovery Program	\$1,300,000	Jul 14/06	X
Economic Development Council for Manitoba Bilingual Municipalities (CDEM)	Community Economic Development Initiatives	\$2,250,000	May 12/06	
CDEM and Enterprises Riel	Tourism and Economic Development Initiatives	\$600,000	Nov 8/04	X
CDEM	<i>C’est Si Bon – Ensemble Together</i> Branding Initiative	\$140,000	Sep 7/07	X
Disabled Sail Manitoba	Facility Renovations – 2004 Mobility Cup	\$130,000	Aug 24/04	X
Inglis Area Heritage Elevators	Heritage Grain Elevators Restoration	\$183,400	Nov 4/04	X
International Peace Gardens	Interpretative Centre and Garden Development	\$3,700,000	Sep 9/05	
Town of Neepawa	Neepawa Industrial Wastewater Treatment Facility	\$5,400,000	Aug 28/06	

Prairie Ocean Centre of the Arts	Eco Arts and Cultural Programs	\$150,000	May 12/05	X
Red River Exhibition Association	Exhibition Park Expansion Feasibility Study	\$125,000	Dec 21/04	X
Rivers West - Red River Floodway Greenway Project	Red River Floodway Greenway Project	\$175,000	Sep 1/05	X
Rivers West	Red River Corridor Association Part 1	\$250,000	Nov 4/04	X
	Red River Corridor Association Part 2	\$750,000	Oct 20/05	
SEED Winnipeg	Social Purchasing Portal	\$98,550	Oct 13/04	X
Shoal Lake Regional Community Development Corporation	Shoal Lake Natural Gas Expansion Project	\$1,066,666	Jun 3/05	X
Société franco-manitobaine	Agence nationale et internationale du Manitoba	\$1,537,600	Sep 7/07	
University College of the North	Northern Forest Diversification Centre	\$1,200,000	Nov 10/04	X
University of Winnipeg Winter Summit for Human Rights	Human Rights and Social Justice Conference	\$66,070	no formal announcement	X

Expenditure Summary

Table 1

Five-year WEPA Program Expenditure Summary (\$000s)

Table 1 provides a historical summary of actual program expenditures for the Canada-Manitoba Economic Partnership Agreement from inception to March 31, 2009.

	CANADA	MANITOBA	TOTAL WEPA
2004-05	\$2,193.5	\$2,267.4	\$4,460.9
2005-06	\$3,530.1	\$2,765.5	\$6,295.6
2006-07	\$4,110.5	\$3,519.1	\$7,629.6
2007-08	\$7,446.8	\$3,294.4	\$10,741.2
2008-09	\$4,066.9	\$6,184.0	\$10,250.9
TOTALS	\$21,347.8	\$18,030.4	\$39,378.2

NOTES:

1. The WEPA requires overall matching expenditures of \$25 million over the life of the agreement. However, cost-sharing formula and cash flow may vary on a per project and/or fiscal year basis.

Public Information

In addition to the annual progress report, information on the Canada-Manitoba Western Economic Partnership Agreement is available on the WEPA website: www.epa.gov.mb.ca. The website features projects, news releases, project benefits and the annual progress report.

Contact Information

For more information on the Canada-Manitoba Economic Partnership Agreement, contact:

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