**Date:** 2nd August, 2018

**To:** Jon Gruber, Ian Calaway, Cora Touchstone

**From:** Steven Yang

**Re:** Canadian Federal R&D Funding Sources: Western Economic Diversification

**1. Background**

Western Economic Diversification Canada (WD) is Canada's regional economic development agency for Western Canada, which consists of the country’s four westernmost provinces: British Columbia, Alberta, Saskatchewan, and Manitoba. WED invests in projects and activities that help improve productivity and competitiveness through the development, adoption and commercialization of new technologies and business processes.

**2. Western Economic Diversification R&D Funding**

WD’s Business Development and Innovation program is the primary means behind direct R&D funding. The goals of this program are to grow small and medium sized enterprises. WD seeks to Strengthen Western Canada's innovation capacity by investing in projects that will bring new technology-based products, processes and services to market and convening key stakeholders to facilitate discussions on how to strengthen the innovation marketplace and support pre-commercialization opportunities.

In 2012, WD developed the Western Innovation (WINN) Initiative to assist SMEs in the commercialization of new innovative products, processes and services for domestic and international markets, with a particular focus on creating marketready technologies. WINN was launched in 2013 and ensures that the department’s investments continue to support job creation and enable western businesses to be more productive and competitive in the global economy.

In 2017, Loop Energy was awarded 760,000 CAD through WINN. Loop Energy provides zero-emission power systems for heavy-duty transport. Loop works with freight owners to design and deliver carbon-free transportation solutions using both electric and hydrogen technologies[[1]](#footnote-1).

**3. Interesting Features and Potential Natural Experiments**

WD appears to put emphasis Women Entreupeneurship. Transfer payments through the Business Development aspect of WD’s Business Development and Innovation are carried through the Women’s Enterprise Innitiative (WEI). The WEI comprises four incorporated not-for-profit organizations, located in Kelowna, Calgary, Saskatoon and Winnipeg, which operate at arms-length from government, under the direction of local boards of directors. The WEI organizations help women entrepreneurs face challenges and succeed by providing customized services such as access to financing, education and training, business advice, loan aftercare, information, networking and mentoring[[2]](#footnote-2).

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| **WD Annual Expenditures Towards Innovation and Business Development (in 1,000s CAD)[[3]](#footnote-3)** | | | | | | | | | | | |
|  | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| **Planned Spending** | 113238 | 122482 | 145416 | 126113 | 98602 | 121705 | 125278 | 93228 | 100598 | 100520 | 95135 |
| **Actual Spending** | 133510 | 126052 | 139741 | 133810 | 121301 | 120290 | 117571 | 98912 | 107678 | 97298 | 96821 |
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1. <http://www.bctechnology.com/news/2017/3/27/Loop-Energy-Awarded-760000-from-Western-Innovation-Initiative-(WINN).cfm> [↑](#footnote-ref-1)
2. <http://webarchive.bac-lac.gc.ca:8080/wayback/20151016185450/http://tbs-sct.gc.ca/dpr-rmr/2006-2007/inst/wco/wco-eng.pdf> [↑](#footnote-ref-2)
3. <https://www.canada.ca/en/treasury-board-secretariat/services/departmental-performance-reports.html> [↑](#footnote-ref-3)