

SOUTHERN INTERIOR BEETLE ACTION COALITION

EXPLORING THE CREATION OF SUCCESSFUL REGIONAL DEVELOPMENT

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ABBREVIATIONS AND ACRONYMS

ACCORD.....	Action concertée de coopération régionale de développement
AEDA	Alberta Economic Development Authority
BAC.....	Beetle Action Coalition
CAEP	Central Alberta Economic Partnership
CBC.....	Canadian Broadcasting Corporation
CBT	Columbia Basin Trust
CCBAC.....	Cariboo Chilcotin Beetle Action Coalition
CERT	Community Economic Revitalization Team
CRT	Columbia River Treaty
EDA.....	US Economic Development Administration
FCM	Federation of Canadian Municipalities
FSA	Fair Share Agreement
GDP	Gross Domestic Product
GIS.....	Geographic Information System
HIE	Highlands and Islands Enterprise
IFA.....	Infrastructure Finance Authority
MC.....	Management Committee
MOU.....	Memorandum of Understanding
MPB	mountain pine beetle
NDIT.....	Northern Development Initiative Trust
NEEF.....	Nechako Environmental Assessment Fund
NRDP	National Rural Development Partnership
OBDD.....	Oregon Business Development Department
OECD.....	Organization for Economic Cooperation and Development
OECD	Oregon Economic and Community Development Department
OS	Oregon Solutions
RCM.....	Regional County Municipality
RDA.....	Regional Development Authority

REDA	Regional Economic Development Alliance
REDO	Regional Economic Development Officer
REN.....	Regional Enterprise Network
RSN.....	Regional Solutions Network
RTA	Rio Tinto/Alcan
SEK	Kona
SIBAC	Southern Interior Beetle Action Coalition
SNW	Sustainable Northwest
SRDC	State Rural Development Council
TOTA.....	Thompson Okanagan Tourism Association
UBCM.....	Union of British Columbia Municipalities
UK	United Kingdom
US	United States
USDA	United States Department of Agriculture

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1 INTRODUCTION

1.1 Background

The three Beetle Action Coalitions (BACs) recently met with Minister Bell, Parliamentary Secretary Barnett and the Premier's Chief of Staff, to discuss the Rural BC Project. As an outcome of that meeting, the three BACs have been invited to provide additional information and advice to the provincial government in two key areas:

- The BACs have been invited to work with the provincial government to organize a one day workshop to present and discuss the major findings of Rural BC Project.
- The BACs have also been asked to provide input to the BC Ministry of Jobs, Tourism and Skills Training on the types of information and training “tools” that rural communities need to help them with rural and regional economic development.

The goal for Southern Interior Beetle Action Coalition (SIBAC) is to continue to advocate for the recommendations of their MPB Mitigation Plans and the Rural BC Project recommendations. Core to SIBAC's values will be to clearly articulate the “missing pieces” necessary to fully implement **meaningful** rural and regional economic development in BC.

This work will explore the successes and good practices currently being utilized in rural development in other provinces and states in North America. Work on fostering rural and regional economic development has been an on-going task for the three BACs with previous key research including:

- Regional and Rural Economic Development: Review of Delivery and Public Investment Models. Prepared by Peak Solutions Consulting Inc. (2008).
- Public Investment in Rural and Resource Regions as Strategic Development Tool: Toward a New Era for BC. Prepared for CCBAC (2008)
- Revitalizing Rural British Columbia: Some Lessons from Rural America. Prepared by M. Drabbenstott (2009).
- A Resource Guide for Small and Rural BC Communities in Transition. Prepared by the Real Estate Foundation of BC (2009).

In addition, each BAC has now participated in several individual projects and initiatives supporting rural and regional economic development. These projects and initiatives have focused on drawing together and furthering collaboration between all levels of government including municipalities, rural areas, First Nation communities, provincial and federal government partners.

1.2 Purpose

The current work being undertaken by SIBAC builds upon and updates the previous work undertaken by the BACs, and includes materials for SIBAC to use at the proposed BAC/Government workshop, and assist SIBAC in continuing to support for a regional approach as part of advocating for the development of a Rural Strategy document for BC.

The research focuses on two major areas and includes the development of two reports including:

- **Regional Economic Development** - A Report that provides a detailed review of at least five successful models (including Quebec, Alberta, Oregon) of Regional Economic Development in Canada and other jurisdictions. The purpose of this review is to identify the critical elements, processes and resources that were necessary to achieve these successes.
- **Rural Economic Development** - A Report that summarizes the development process, major components of, and implementation of resources allocated to the development and implementation of Rural Strategies in other jurisdictions in Canada.

In addition, to support communications and on-going dialogue on the topic of rural economic development, further supporting materials have been prepared including a power point presentation and briefing materials that outlines a rural development approaches for British Columbia.

This report is the second of the two reports and is focused on the regional economic development approach. It focuses on how regional economic development is approached in other jurisdictions known for their good practices. Their experiences and insights are reflected in this report and culminate of key findings.

1.3 Report Structure

The report is organized as follows:

- Chapter 2 presents profiles of regional economic development approaches in four North American jurisdictions.
- Chapter 3 provides a summary of key findings concerning regional economic development service delivery and lessons learned that could be applied in the BC context.

2 JURISDICTIONAL REVIEW

2.1 Alberta

2.1.1 Overview

Alberta provides regional economic development services to regions across the province. The program has been stable for over a decade under the aegis of the Regional Economic Development Alliances (REDAs). The first REDA was formed in 1999.

2.1.2 Planning Background

2.1.2.1 Approach

In the mid-1990s, several ad hoc community partnerships existed in regions throughout the province. The provincial government recognized that if communities and their supporting partners joined together to form alliances, economic development within these regions would be easier to deliver with potentially better outcomes. The province began exploring a coordinated process to increase regional economic development using a regional alliance model. In 1998 the province conducted an independent study and initiated a pilot regional economic development alliance. This pilot alliance was the Central Alberta Economic Partnership (CAEP).

2.1.2.2 Planning Process and Anticipated Goal

Based on consultations by its former Self-Reliant Communities Committee, the Alberta Economic Development Authority (AEDA) advised the Premier in 1999, that:

"Increasing self-reliance through strong regional strategic alliances is the key to ensuring that economic growth benefits all Albertans."

Subsequent to these findings, the province:

- Conducted an independent study on best practices in marketing techniques used by communities and regions to attract business and investment.
- Partnered with AEDA to consult communities in five regions.
- Reviewed the CAEP pilot project to develop a Regional Alliance Strategy Initiative in the fall of 2000.

2.1.2.3 Purpose

The primary objectives of the Regional Alliance Strategy Initiative was to support the continued development of a provincial network of Regional Economic Development

Alliances (REDAs). It was felt that the REDAs were an approach that would help stimulate long-term economic development and growth strategies in Alberta communities. The REDAs were tasked with competing more effectively in a global marketplace, improving investment attraction and generating wealth creation for all communities.

2.1.2.4 Organizations involved in Initiation

The province and the AEDA collaborated early on in the process to formulate a regional approach.¹ Individual REDAs are self-determined memberships built from the grassroots within the local region, with no time frame to formalize a group.

For example, in the Alberta South West Regional Alliance a draft Memorandum of Understanding (MOU) was developed in 2001 between five communities to explore partnership opportunities. By 2003, eleven communities signed a joint venture agreement to formally establish the “Mounties to Mountains Economic Regional Initiative.” In 2007, fourteen communities formed the Alberta SouthWest Regional Alliance Ltd., a non-profit corporation. In 2011, sixteen communities are now part of Alberta Southwest Regional Alliance, representing a population of over 33,000. (Alberta South West Regional Alliance 2013)

2.1.3 Implementation

2.1.3.1 Organizations Involved in Implementation

The partners involved in implementation primarily consist of local municipalities; however, each REDA is unique in its partnerships.

The Alberta Hub REDA has 31 members including: one city, eight towns, eight villages, five counties and municipal districts, seven Métis settlements and First Nation communities, and two regional colleges. It represents a total area population of 133,000 located on Alberta’s northeastern border (Alberta Hub 2012).

The Peace Region REDA has 24 members including: one city, eight towns, four villages, eleven counties and municipal districts. Seven associate members include two

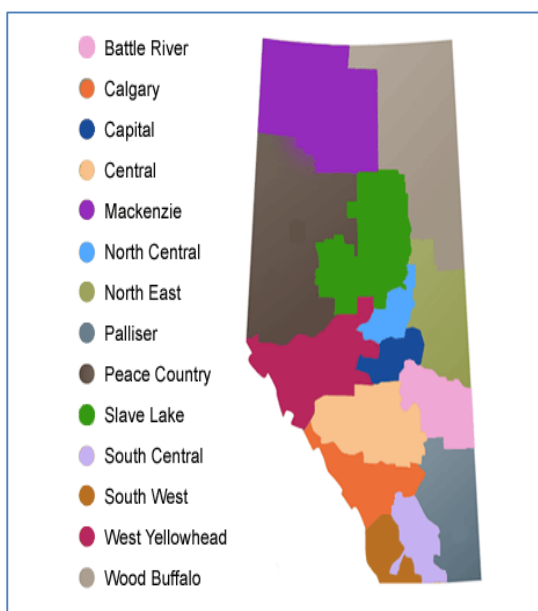
¹ AEDA is a unique partnership between Alberta’s private and public sectors. It brings together 65 private sector volunteers from across the province -- a network of business, academic and municipal leaders -- to study issues, consult with experts, debate ideas and make recommendations to the Alberta government on ways to strengthen the province’s economic performance.

colleges, two community futures organizations, two chamber of commerce, and a regional economic development office. The population in the Peace Region REDA is approximately 117,000 (Peace Region Economic Development Alliance 2012).

2.1.3.2 REDA Structure (Definition)

In Alberta a REDA is an autonomous grassroots-based non-profit regional organization comprised of member communities and regional stakeholders that work together to foster business development and prosperity in a defined geographic area. This collaboration enables members and stakeholders to undertake projects that they could not necessarily do on their own. REDA boards are primarily made up of local elected leaders (Alberta Ministry of Enterprise and Advanced Education 2013).

Figure 2-1: Information Regions in Alberta, 2013



Source: Alberta Ministry of Enterprise and Advanced Education. 2013

The province now has 11 REDAs, with 208 member communities including:

- 133 towns and villages.
- 48 counties, municipal districts, and special areas.
- 13 Aboriginal communities.
- Nine cities.

Figure 2-1 shows 14 regional information areas across the province, of which 11 area REDAs. The three areas without REDAs include Capital Region, Mackenzie Region, and Wood Buffalo Region.

2.1.3.3 Support and Administration

The Alberta Ministry of Enterprise and Advanced Education fosters and supports development of REDAs in Alberta through its Regional Development Branch offices, with a headquarters in Edmonton.

The Branch serves an advisory and facilitative role, and takes a proactive role to meet with community leaders and potential partners to educate, engage and raise awareness of the REDAs (Alberta Ministry of Enterprise and Advanced Education 2013).

In addition, the Branch supports specific key regional economic initiatives including:

- Providing economic and statistical information on a regional basis;
- Supporting REDAs with staffing and financial resources;
- Developing information resources related to regional development and community development; and,
- Hosting economic development conferences and symposiums for industry and community leaders. (Alberta Ministry of Enterprise and Advanced Education 2013)

The Ministry recently went through a consolidation and a review of their staffing and now have six regional managers and six regional project officers supporting multiple REDAs. This change has been made because REDAs are gradually taking over more responsibility for administration and service delivery (Brosseau 2013, pers. comm.).

2.1.3.4 Funding and Resources

The REDA program began in earnest in the fall of 2000 and for the next twelve years the Alberta Government consistently provided \$100,000 annually for each REDAs. As more REDAs' self-identified and joined the program the number REDAs reached fourteen resulting in an annual funding commitment of \$1.4 million annually. The funding was made on annual budgeting cycle. The province also contributed staffing support, the provincial support was contingent on resource being provided by the REDA participants.

Currently, the Provincial Government provides funding to each of the REDAs, in the amount of \$75,000 that must be matched by a REDA contribution of \$37,500. This funding comes with greater flexibility than in the past and the REDA may use the funding as it sees fit for either projects or administration—there are no “strings attached” as in the past. In addition, starting in 2012, the Province began entering into multi-year funding arrangements with the REDAs providing funding now on a two year basis in an effort to provide greater funding certainty and more flexibility to pursue multi-year initiatives (Brosseau 2013, pers. comm.).

2.1.3.5 Focus of Implementation

The implementation focus in each REDA area is developed based on local priorities and assets and therefore varies based on the REDA. Some examples of key initiatives include:

In Palliser REDA key initiatives are:

- Eastern Alberta Trade Corridor.
- Metal Manufacturing Cluster Development. (Palliser Economic Partnership. 2012)

In SouthGrow REDA key initiatives are:

- Empowering Renewable Energy Clusters Using Renewable Energy Co-ops. (SouthGrow Regional Initiative 2012)
- Water for Economic Development in the region.

In the Calgary Regional Partnership key initiatives are:

- Transportation and Logistics Readiness.
- Regional GIS System in the Context of Investment Attraction. (Calgary Regional Partnership 2012)

The Province works with each REDA on the development of their key initiatives and assists with linking into the Provincial economic development strategy and the associated sector strategies. However, the REDAs have considerable flexibility to map out their own direction and set their own priorities providing there is compatibility and alignment with the Province's economic direction (Brosseau 2013, pers. comm.).

2.1.3.6 Summary of Findings

Key findings of the Alberta REDA model include the following:

- 1) Regional and Rural Development is not the same as Alberta has very clear approach for Regional Development and additional support and approach for rural economic development in the province.
- 2) Support from the provincial government is important in creating a sustainable process.
- 3) Review and evaluation of programming is important so strategies and initiatives can be refined and improved.
- 4) The Province and REDAs understand that moving forward in a common direction is important.
- 5) The REDAs work best when they have the flexibility to pursue the priorities that are identified locally and represent the best opportunities as seen through a regional lens.
- 6) Flexibility in budgeting is an important tool for REDA success.
- 7) Multi-year funding commitments increase the ability of the REDAs to pursue strategic projects over multiple years.

- 8) REDAs have proven a value tool for Alberta and regions of Alberta as it has demonstrated resource sharing and collaboration on initiatives that are both strategic to the province and specific regions.

2.2 Oregon

2.2.1 Overview

In the state of Oregon, regional and rural economic and community development services are delivered by a variety of agencies at the federal, state, regional and local levels. In this profile, the focus is on state economic development efforts.

2.2.2 Background

Economic, community, regional and rural development in Oregon is a complex and fractured landscape involving many different organizations, programs, funding sources and partnerships. With the recession of 2008-2009, the state reformed many of its economic development services and programs due to budget pressures. Many of the regional organizations which had relationships with the state had to recast themselves in order to adapt to a new set of funding and program realities.

Today, the lead agency for economic development is the Oregon Business Development Department (OBDD). Another state initiative with an economic development mandate is the Regional Solutions Network, although it is only peripherally linked to OBDD. Prominent federal departments include the US Department of Agriculture (USDA) and US Economic Development Administration (EDA) which provide programs and services with an emphasis on rural constituents. At the regional level, there are organizations such as the Oregon Economic Development Districts (OEDDs), and others, that exist in whole or in part through alliances or relationships with one or more of the above agencies.

2.2.3 History

In Oregon the state, federal and local governments all contribute in different ways to regional organizations and initiatives. Prior to 2008, the state of Oregon had two relatively coordinated regional initiatives:

- The **Community Economic Revitalization Team** (CERT) process, which emphasized multi-agency coordination on projects of local and state-wide significance. CERTs were established based on the unique needs of a particular region. Environmental issues, infrastructure, community facilities and community-

identified economic and community development programs dictated the CERT makeup and efforts.

- **Regional Investment Boards** (RIBs) were the main vehicle for promoting regional development, and specifically the dispensation of lottery funds through the Regional Investment Program. RIBs were created to develop a regional investment plan that would guide investments in the regions. The Oregon Economic and Community Development Department (OECDD) would provide program guidance, attend local meetings and liaising with other relevant organizations or government agencies. There was coordination between the RIBs and the CERT process.

After 2008, the state rescinded support for both these initiatives, and at the same time restructured the OECDD and many of its programs.

2.2.4 Agencies

2.2.4.1 Oregon Economic Development Districts

The current leading exponent of regional development is the Oregon Economic Development Districts (EDDs). Twelve EDDs cover the State's 36 counties, 297 municipalities (which include cities, towns and tribes) and 3.7 million residents. The network is part of a broader national network of 380 economic development districts designated and funded by the US Economic Development Administration.

EDDs are governed primarily by policy boards of locally elected and appointed officials, along with representatives of business, education and non-profit sector leaders. The original mandate of the EDDs was economic development planning services. However, more comprehensive services are now provided in response to demand from the local governments served. (Oregon Economic and Community Development Department 2008)

EDDs' main role is to successfully pursue and manage many federal and state programs for the benefit of local government. They do this by packaging proposals and applications, acting as liaisons with funding entities and ensuring grantee compliance with federal and state rules after funds are awarded. They also act as a liaison for investments from the U.S. Economic Development Administration (EDA) for job creation and retention. Through various loan funds managed by EDDs and capitalized by EDA, the U.S. Small Business Administration and the U.S. Department of Agriculture, they extend loans to new and existing businesses.

2.2.4.2 Oregon Business Development Department

In 2008, the state of Oregon issued an executive order to restructure the Oregon Economic and Community Development Department (OECDD), based on a third-party evaluation of the department's performance. The restructuring order involved a separation of community and business development functions under the joint administration of the Oregon Business Development Department (Business Oregon).

Community development activities are administered by the Infrastructure Finance Authority (IFA), while the Business, Innovation, and Trade Division handled business development. Business Oregon also coordinates with other state agencies to carry out the Department's mission of creating, retaining, expanding, and attracting businesses to the state. Associated boards, councils and commissions include the Oregon Innovation Council, Oregon Small Business Advisory Council, Oregon Broadband Advisory Council, and Oregon Growth Board.

The IFA was created to ensure that the state's infrastructure needs, particularly around safe drinking water and wastewater systems are better identified and prioritized to ensure the best use of the state's resources. The IFA assists communities in building infrastructure capacity that addresses public health safety and compliance issues and supports their ability to attract, retain, and expand businesses; and works with local government, state agencies, and property to prepare industrial land for certification. The IFA's authority is overseen by members of the Governor-appointed Infrastructure Finance Authority Board and services are delivered through grants and loan funds to eligible municipal entities. (State of Oregon 2012)

Regional and rural development activity is based on several tax incentive programs:

- **Enterprise Zones** – 60 in total, 48 of which are rural. New or expanding businesses can qualify for three years of property tax exemptions.
- **Oregon Investment Advantage** - multi-year taxable income exemption for a certified business in an eligible location, which is a county with high unemployment or low per capita income, and a city of less than 15,000 population.
- **Strategic Investment Program** - The Strategic Investment Program exempts a qualifying project's (market value greater than \$25 million) from property taxes for a 15 year time period, in return for remittance of a community service fee equal to 25 percent of each year's tax savings, up to a yearly maximum. As of May 2011, there are three programs in Oregon.
- **Oregon New Market Tax Credit** – The program helps finance investments and creates jobs in low income communities by delivering below market rate investment options to businesses.

In addition, loan and grant programs are made available to Oregon businesses through the following:

- **Oregon Business Development Fund** - The fund is a revolving loan program for projects located in distressed areas of Oregon, while the other two funds are available statewide.
- **Brownfield Redevelopment** – The program provides grants and loans to individuals, non-profits, and local government to assist in rehabilitating brownfields for reuse.
- **Entrepreneurial Development Loan Fund** - The fund provides direct loans for start-up, micro-enterprises and small businesses to expand or become established in Oregon.
- **Oregon Industrial Development Bonds/Oregon Express Bond Program** – Tax-exempt bonds issued by the state on behalf of qualified businesses for long-term financing for land, buildings, and equipment at interest terms generally below the prime rate.
- **Oregon Capital Access Program** - The program assists banks and credit unions with increasing small businesses access to commercial loans and provides capital for start-up or expansion.
- **Business Retention Program** - Qualified Oregon companies that are facing hardship receive consulting services through matched, private sector consultants.
- **Oregon Credit Enhancement Fund** -The fund is a loan insurance program that lenders can utilize in assisting traded-sector manufacturing, production, processing, and distribution companies in obtaining access to capital.

2.2.4.3 Regional Solutions Network

In late 2011, the Office of the Governor of Oregon issued an executive order establishing the Oregon Solutions Network and Regional Solutions Centers (RSCs). After the recession of 2008-2009, and subsequent rising unemployment levels and severe job losses in key sectors such as manufacturing, the Governor's office established the RSCs due to a perceived need to "coordinate ... resources and programs to maximize their effectiveness and ensure that their activities address regional priorities around the state." (Office of the Governor of the State of Oregon 2011)

RSCs are a collaborative approach to community and economic development in Oregon. The state, in partnership with Oregon colleges and universities, established RSCs throughout Oregon in 2012. Each takes a bottom-up approach to development projects, working at the local level to identify priorities, solve problems, and seize

opportunities to complete projects. Centers integrate state agency work and funding to ensure that projects are completed in the most economical and streamlined process possible. (Regional Solutions 2013a)

There are five Regional Solution Centers, Central Oregon, Eastern Oregon, Southern Oregon, Valley/North Coast and Metro.

The centers are funded by existing department budgets.

Oversight is provided by Regional Advisory Committees who establish priorities for economic development. They are headed by a convener whose role is to serve as the catalyst for the region.

RSCs are staffed by Regional Solutions Teams composed of a representative from each of five state agencies:

- Department of Environmental Quality.
- Department of Land Conservation and Development.
- Department of Transportation.
- Department of Housing and Community Services.
- Business Development Department.



Other state agencies are added to the teams as needed for regional priorities. The teams are led by a Regional Coordinator who represents the Governor as a catalyst for action in each region. Local Advisory Committees, made up of business, civic organizations, government, foundations, and higher education representatives identify priorities to guide the teams' work in each of the state's eleven economic development districts. State agency directors meet regularly with the Governor to review and evaluate the RSCs' work based on the number of projects completed.

2.2.5 Summary of Findings

Key findings of the Oregon regional economic development approach include the following

- Oregon currently does not have a state-wide, regional economic development strategy, and no formal or centralized approach to organizing regional development bodies.
- Support by the state for the Regional Investment Boards and Community Economic Revitalization Teams that used to lead regional development in Oregon was withdrawn because of the lack of reporting and demonstrated progress in achieving economic development goals. Review and evaluation procedures were unclear and contributed to the demise of these organizations.
- The Boards and Teams did not negotiate multi-year funding arrangements and thus became susceptible to state-wide budget cutbacks resulting from the 2008-2009 recession.
- Regional development as delivered by Oregon's 12 Economic Development Districts is not integrated with a state-wide regional development model. Instead the OEDDs are set up to access federal and state programs, specifically grant funding. Therefore, regional development is really a program-focused delivery model.
- Today, regional and rural development in the Oregon is much different than in Canada due to the extensive resources and programs delivered by the federal government, including the USDA, the Economic Development Administration and the Small Business Administration. In Canada, this breadth of programming and level of involvement does not exist.

2.3 Quebec

2.3.1 Overview

Regional economic development in Quebec is focused on ensuring provincial level programming considers regional needs through partnerships. The program, known as ACCORD (Action concertée de coopération régionale de développement), is aimed at developing regional excellence and positioning for competition in the North American and international contexts (Government of Quebec. 2013a).

Under ACCORD, the Province prepares a strategy outlining broad policy objectives, resourcing and regional staffing and then asks each of the fifteen regions to prepare their own strategy that fits with the Provincial strategy—a formal ACCORD is then negotiated with each region.

The process helps bring together business people and entrepreneurs to develop a common vision for key industries. Based on recognized advantages, “clusters of excellence” were then introduced to brand each ACCORD region (Government of Quebec. 2013b).

The initial ACCORD ran from 2002 to 2007 and involved 30,000 individuals, 155 committees, 136 Regional County Municipalities (RCMs) sector-based working groups, and 462 local committees (Gosselin 2008).

2.3.2 Quebec’s Regional Planning Objectives and Strategies

2.3.2.1 Policy Objectives

The Objectives of the ACCORD program is to:

- Position each region of Quebec as a hub of specific industrial skills that are recognized in North America and around the world, by developing “clusters of excellence” that will become that region’s brand image.
- Increase productivity and promote employment by focusing on innovation and exports.
- Contribute to the emergence of strategic economic projects in Quebec’s regions
- Foster the creation of industrial networks within and between regions.

2.3.2.2 Planning Approach

The first ACCORD ended in 2007, the second is due for completion in 2014 and the third, which will commence in 2014, is now being negotiated. This current ACCORD focuses on building competitive regional production systems throughout Quebec. The planning emphasis is as follows:

- People and the role of social capital.
- Local participation, identities and know-how.
- Territorial (regional) rather than sectoral.
- Rural region development. (Gosselin 2008)

2.3.2.3 Principles of Planning

The principles of the Quebec approach include:

- A bottom-to-top approach with core support from the Provincial Government.
- Reliance on and accountability of local bodies.
- Development of all of the territory’s human and natural resources focusing on a horizontal and multifunctional approach.

- A process that is democratic, participatory and inclusive.

2.3.3 Implementation

2.3.3.1 Organizational Involvement in Implementation

The ACCORD is integrally linked to the Province’s Rural Strategy and as such recognizes the importance of collaboration of all players in the province, including local governments, business leaders and the provincial government. The following key organizations are involved in supporting implementation:

- The Government of Québec.
- Solidarité rurale du Québec—an advisory body to the government on rurality.
- The Fédération québécoise des municipalités and the Union des municipalités du Québec—representing Québec municipalities.
- The Association des centres locaux de développement du Québec—representing various development agencies. (Government of Quebec. 2006)

Seventeen ACCORD agreements are in effect:

- | | | |
|------------------------|-----------------------|---------------------------------|
| • Bas-Saint-Laurent | • Sagueny-Lac-St-Jean | • Capitale-Nationale |
| • Mauricie | • Estrie | • Outaouais |
| • Abitibi-Temiscamigue | • Cote-Nord | • Gaspesle-iles-de-la-Madeleine |
| • Chaudiere-Appalaches | • Lanaudiere | • Laurentides |
| • Monteregie | • Centre-du-Quebec | (Quebec. 2013c) |

2.3.3.2 Support and Administration

Several organizations, including the Government of Québec, provide support and administration in implementation and monitoring. The Province has also allocated more rural economic development officers in the RMCs to support economic development capacity. However, it is important to recognize that the regional economic development delivery under the ACCORD also incorporates the rural economic development strategy and therefore resources identified for the ACCORD are also part of the rural delivery in Québec.

2.3.3.3 Funding and Resources

The Provincial Government has committed \$280 million for the implementation period from 2007 to 2014. The share of funding for the first ACCORD that ended in 2007 was as follows:

- Municipalities 8.8%
 - Societe d'aide au developpement des collectivites 0.4%
 - Federal Government 10.5%
 - Investment 19.8%
 - Other 12.5%
 - Centre local de developpement 1.9%
 - Quebec Government 25.1%
 - Financial Institutions 6.0%
 - Rural pact 15.0%
- (Gosselin 2008)

The planning is now beginning in Quebec to determine the next strategy and funding commitments that will be set in place for 2014 and beyond (Gignac. 2013).

2.3.4 Summary of Findings

Key findings of the Quebec ACCORD model include the following

- 1) Recognizes that Regional Development is different than Rural Development but also understands how one is required to support the other.
- 2) Quebec uses formal agreements or pacts that commit signatories to specific inputs (e.g. funding and resources) and performance measures.
- 3) Although the provincial government takes a lead role in funding ACCORD, other stakeholders, including local government, NGOs and the private sector, contribute approximately 75% of regional budgets. Thus multiple funding approach is unique in Canada.
- 4) Minimum five year agreements are negotiated and negotiations on subsequent agreements begin well before current pacts are completed. The emphasis is on improving the design and performance of the ACCORDs, not on whether they should exist or not.
- 5) Specific recognition is given to the structure of the regional economic base and how it can be more competitive. Cluster development is central to the issue of competitiveness. This means that initiatives must be in support of improving competitiveness and economic prosperity.

2.4 Nova Scotia

2.4.1 Overview

Since 1994, the coordination of economic development at the local level in Nova Scotia had been the responsibility of 12 regional development authorities (RDAs). The RDAs were funded by all three levels of government. In May 2012, the Atlantic Canada Opportunities Agency announced that it would discontinue its funding to the Nova Scotia's RDAs (as well as economic development agencies throughout the Atlantic

region) (CBC News 2012). In July 2012, the Province of Nova Scotia initiated a review of its delivery of economic development services to ensure that the best model was in place. The independent panel report contained recommendations for a new structure and allocation of responsibilities. The mechanism for delivering regional economic development support in Nova Scotia is now in transition.

2.4.2 Planning Background

2.4.2.1 Impetus for Approach

The RDAs were established in the mid-1990's in response to a discussion paper on community economic development by the Nova Scotia Department of Economic Development (Nova Scotia's RDA Review Panel 2012). However, in the recent review paper, it was suggested that there were too many local development organizations seeking support from government, that their priorities were not aligned, and that their efforts were not coordinated. There was recognition that all levels of government could play a role in supporting community economic development.

Although the federal government's withdrawal of funding to the RDAs has forced a revaluation, the Nova Scotia government remains committed to regional economic development and adapting it to the new fiscal reality.

2.4.2.2 Planning Process and Anticipated Goal

The panel review involved extensive stakeholder consultation process and a review of alternative delivery models. The strengths and deficiencies of the RDAs were identified. A key deficiency was the perceived lack of focused and collaborative economic strategy and that competition among municipal units and industry sectors was hindering overall growth.

The panel recommended the 12 RDAs be replaced by six regional enterprise networks (RENs). The role of RENs is to be regional connectors, navigators and facilitators of economic development activity among partners.

Two core activities for the RENs are to:

- Develop, implement and monitor a regional plan for economic development consistent with provincial economic development priorities and opportunities.
- Cultivate close working relationships with the business community and key partners within the region to recruit new businesses, support development of new businesses, and retain and expand existing businesses. Support local businesses in navigating programs and services.

Relative to RDAs, RENS will have a different governing structure, with municipalities being equal partners. They will “quarterback” economic development agencies to facilitate economic development rather than direct project implementation and will not be a vehicle for downloading provincial programs (Spencer 2013, pers. comm.).

2.4.2.3 Purpose

The panel recommended that REN’s adopt a common mission statement:

“To guide and navigate regional development in Nova Scotia, supporting business growth in communities.” (Nova Scotia’s RDA Review Panel 2012)

The mission statement is to be incorporated into co-operation agreements established by the province and municipalities.

2.4.2.4 Organizations involved in Initiation

Funding partners include the provincial Department of Economic and Rural Development and Tourism and municipalities. The Department leads the implementation of Nova Scotia’s economic growth strategy – *jobsHere*: The panel recommended that staff from the provincial agency be seconded to RENS for the initial five years. Municipal government is an equal partner. There are a total of 53 municipalities. Regional Enterprise Network # 6 contains the fewest number of municipalities (5) and the largest population (131,000 persons). The remaining five RENS vary from eight to 11 municipal partners and population ranging from 50 to 104 thousand persons.

The RENS are to enter into mutually beneficial working partnerships with Nova Scotia Business Inc., Innovacorp and other economic development agencies.

2.4.3 Implementation

2.4.3.1 Organizations Involved in Implementation

The two primary organizations responsible for implementation are the Province’s Department of Economic and Rural Development and Tourism (Regional Planning and Development Division) and collaborating member municipalities. The respective responsibilities would be addressed in co-operation agreements. Key tasks include appointment of the first boards of directors, delivery of board training, hiring of staff, setting of standards, and delivery of professional development to staff.

It is anticipated that the partners will request the federal government to participate in the development of regional economic plans, given their continuing role in manpower planning, expanding export opportunities and supporting innovation.

2.4.3.2 REN Structure

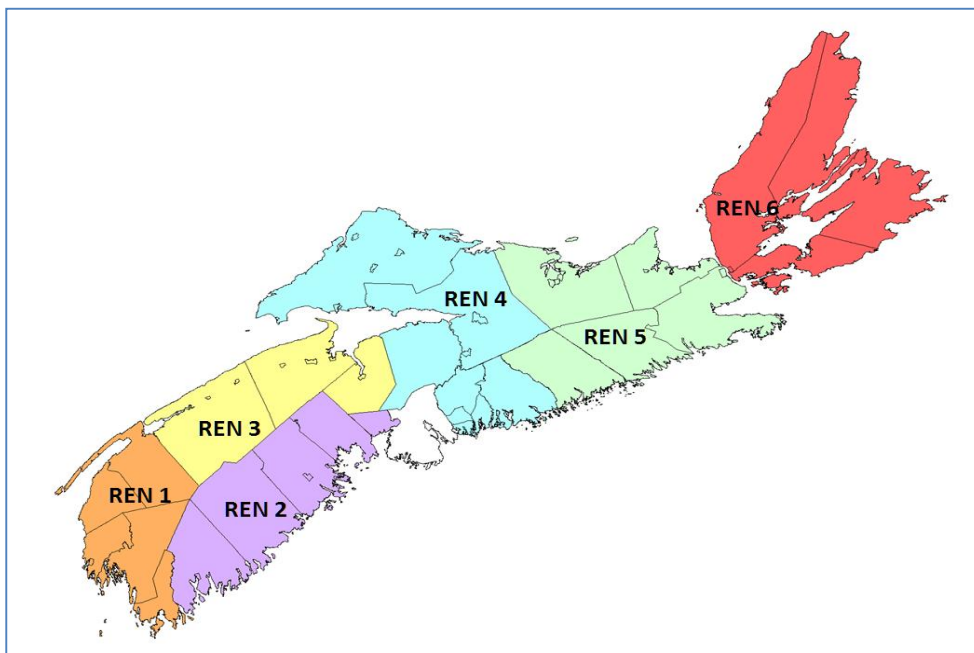
Each REN will have a board consisting of 8 to 12 members. This would include one provincial representative, and the remaining being municipal representatives and the business community. The provincial and municipal members are equal partners in board governance, annual reviews and monitoring processes.

The responsibility of REN board of directors includes:

- Work with municipalities to develop the regional plan.
- Policy development.
- Board governance.
- Hiring senior staff and audit performance.

The six REN regions are shown in
Figure 2-2.

Figure 2-2 New REN Areas in Nova Scotia



Source: Nova Scotia's RDA Review Panel. 2012

The new boundaries are intended to capture existing effective working relationships as well as emerging regions with interest in future cooperation as identified in the

consultation process. The Halifax Regional Municipality is excluded, as this urban core possesses an appropriate economic development organization.

2.4.3.3 Support and Administration

Staffing requirements for RENs is not available. Total staffing of the 12 RDAs was about 100 staff.

2.4.3.4 Funding and Resources

Over the past four years, including this year, the province has provided \$125,000 to each RDA (\$100,000 Economic Development, \$25,000 Community Services) or a total of \$1.5 million per year. For RENS, the combined municipal funding level is to match the provincial contribution, or for a total funding of about \$3 million.

The funding formula for individual RENs is 50% of the total funding would be distributed equally to the six RENs, and the remaining 50% would be distributed in proportion to the RENs population (excluding the population of greater Halifax).

2.4.1 Summary of Findings

- 1) There is not a sharp distinction between Regional and Rural Development in Nova Scotia. The number of delivery units has been reduced from 12 regional development agency areas (RDAs) to 6 regional enterprise network (RENs) with population ranging from 50 to 130 thousand persons, and excludes the greater Halifax area.
- 2) The role of RENs is to facilitate the initiatives of local economic development agencies rather than direct project implementation. It will not be a vehicle for downloading provincial programs. In contrast, RDA's had a more direct role which was found to contribute to competition among areas and was counterproductive.
- 3) The province and municipalities are equal partners in each REN and will make equal financial contributions.
- 4) The provincial board member on each REN will ensure local initiatives support Nova Scotia's economic growth strategy – *jobsHere*. The strategy will be embedded in the economic development plan formulated by each REN.
- 5) Multi-year funding formula provides greater certainty to pursue strategic projects over multiple years.
- 6) Nova Scotia government recognizes the benefit of decentralized regional economic development planning and remains committed to delivering the service in collaboration with municipal partners and other stakeholders.

2.5 Scotland Highlands and Islands

2.5.1 Overview

The Highlands and Islands region of Scotland has a total land area of just over 39,050 square kilometres and a coast line of over 9,000 kilometres. The 2005 population estimate is 440,000, making it one of the most sparsely populated parts of the European Union.

Remote rural areas and islands in particular are highly dependent on agriculture and fisheries. For many years the region suffered from the “Highland problem”: out-migration, high unemployment and low incomes.

2.5.2 Planning Background

2.5.2.1 Purpose

The Highlands and Islands Enterprise (HIE) is a government sponsored regional development agency covering the Highlands and Islands region of Scotland. It was created in 1991. HIE’s operations are centred around two objectives, strategic projects of broad regional importance and programs centred on four major strategic outcome themes of strengthening communities, developing skills, growing businesses and making global connections.

2.5.2.2 Planning Process and Anticipated Goals

In 2008, there was 23 major projects either in progress or planned in the following key areas:

- University and College development or expansion.
- Centres of excellence.
- Research and development.
- Real estate, waterfront and brownfield redevelopments.
- Renewable energy projects.
- Local economic development strategies.
- Broadband expansion.
- Major events.

HIE programming under the four major strategic outcome themes includes:

- **Strengthening Communities** – The expected outcome of this component is stronger communities with high quality and diverse amenities and services, an enhanced natural and cultural heritage, capable of exploiting opportunities and

managing resources. Example projects include three equity investments in community-owned turbine projects (28 similar projects under development) and a research study on how to foster optimum conditions for promoting the emergence of community leaders.

- **Developing Skills** – Programs include improving the operation of the labour market (especially around career counselling and choice for youth), increasing in-work training programs with specific targets for labour productivity and increasing the labour force participation rate as a way of overcoming looming work shortages.
- **Growing Businesses** – The objective here is a new generation of dynamic and growing businesses. Strategic initiatives include stimulating new investment and improved access to capital for key industries, increased commercialization of research and the promotion an adoption of e-business concepts. Example projects include: supported two aquaculture diversification research projects relating to production improvements and environmental improvements; and supported market and product development activity in sectors including renewable, food and primary sectors, tourism, oil and gas, fashion and new media.
- **Global Connections** – Programming in this area supports export and trade development activities including support for the placement of quality infrastructure (especially in transportation services) and a number of strategies for the attraction and recruitment of companies, capital and people.

2.5.3 Implementation

2.5.3.1 Organizations involved in implementation

HIE is governed by a Board of Directors and currently has over 500 staff. Highlands and Island Enterprise is involved in delivering a variety of national and regional programs, and is responsible for ensuring that UK and European community and economic development funding is secured and invested in the region. HIE also has responsibility for local regeneration that strengthens communities. HIE pursues partnerships and alliances that bridge national policies and programs to the community level. Community planning and economic development partnerships such as local economic forums formalize these relationships at the local level.

2.5.3.2 Funding and Resources

HIE's budget for the 2007-08 fiscal year was approximately \$280 million Canadian, or \$700 per capita. Programming took up 71% of the budget, while the remainder was allocated to administration. The majority of funds came from the Scottish Government (75%), while non-cash allocations contributed just over 10%. In 2013, the Government

continues to make considerable investment in HIE with the budget set at approximately \$98 million annually for the funding period between 2011-12 to 2014-15. With 80% allocated to programming and 20% to administration over this period (HIE. 2013)

HIE orients its operating plan on an annual basis with the Scottish Government to set out how it will deliver the Government's national enterprise priorities in the specific context of the Highlands and Islands. HIE's strategic planning is detail-oriented and carefully linked to a series of measures and benchmarks that are used to gauge programming effectiveness. HIE has met or exceeded many of its organizational performance targets. It is also interesting to note that the growth rate in the Highlands and Islands region for the last five year period was 1.5%, which is more than double the rate of growth for Scotland (0.6%).

2.5.4 Summary of Findings

Key findings from HIE include:

- 1) Implementation resources must be available over a sustained period of time.
- 2) Consistent and on-going program delivery will lead to tangible and quantifiable results.
- 3) Rural areas can perform as well or better than urban areas if there economic development is fostered in a manner that supports rural habitation and business development.
- 4) Planning should avoid prescribing duties and instead build on collaboration and partnership work for implementation. This can only be achieved through participatory and engaged planning activities.

In addition, the OECD rural policy review of HIE made the following findings:

- 1) There needs to be strong linkages between rural, regional and sectoral policy design.
- 2) Rural policy needs to be careful of how centralized implementation approach is and needs to be balanced by consultation with stakeholders from the local and rural level.
- 3) Centralization and lack of bottom-up participation in rural policy can hamper the design of measures adapted to the different parts of rural Scotland.
- 4) Need to highlight partnerships and prepare place-tailored approaches to rural policy.

- 5) Local resources and access to land are key consideration in rural and regional development and need to be incorporated into policy decisions to foster the greatest benefit to rural areas.
- 6) Need to approach decisions that ensure that the region gets the most of resource sector such as forestry and energy resources.
- 7) Business services are a key element in rural and regional development and effort should be undertaken to improve services available.

2.6 Summary Matrix

This section summarizes the key findings and experiences of governments in three provinces and Oregon State in developing regional economic development plans. As noted in Table 2-1, the provinces studied had dedicated regional plans that were funded and implemented with the participation of the provincial and local governments.

Oregon utilized a regional development model but rather than having a unified planning initiative, the state, through the five-area Regional Solution Network, and the federal government, through the 12 Economic Development Departments, supported regional economic development to access and utilize state and federal programs, respectively.

Table 2-1: Matrix of Regional Strategy Planning and Implementation Features By Jurisdiction

Issue	Alberta	Quebec	Nova Scotia	Oregon	HIE
REGIONAL STRATEGY					
Does the jurisdiction support the development of regional strategies?	✓	✓	✓	x	✓
Does the jurisdiction provide guiding principles to that regional strategy can align with?	✓	✓	✓	x	✓
Was there active participation from regional officials and stakeholders?	✓	✓	✓	x	✓
Was there active involvement from senior government?	✓	✓	✓	x	✓
Were priorities developed for regional investments?	✓	✓	x	x	✓
Is the strategy aligned with local community plans?	✓	✓	x	x	x ²
IMPLEMENTATION APPROACH					
Are funds provided by senior government?	✓	✓	✓	✓	✓
Is there a long-term funding formula?	✓	✓	✓	✓	✓
Does the lead agency provide staffing resources?	✓	✓	✓	✓	✓
Is there a committee or board structure that includes local and regional stakeholders?	✓	✓	✓	✓	✓
Are organizations other than the lead agency involved in implementation?	✓	✓	✓	✓	✓
Does implementation vary according to region (versus being uniform across the province/state)?	✓	✓	x	✓	✓

Note: Yes=✓ No= x

² Recent review by the Crofting Commission highlighted the need to incorporate local stakeholder perspectives in planning approach (2012)

3 KEY FINDINGS

1) Regional planning should be based on provincial leadership and support

The closing of regional economic development programs in Oregon, Manitoba, Saskatchewan, Newfoundland and potentially Nova Scotia, in recent years, is primarily due to the withdrawal of senior government operating support and the inability or unwillingness of regions and local areas to participate in regional efforts. In BC, the relative scarcity of regional economic development functions, despite the existence of regional district governments, highlights this issue.

2) Higher level plans should provide guidance for regional economic development

The jurisdictions profiled in this report all had over-arching provincial or state economic development strategies in the early 2000s, when regional programs were relatively well funded and were being designed to align local, regional and provincial or state planning directions and interests. Provinces such as Newfoundland, Manitoba and the state of Oregon have not updated their economic development plans since that time and not coincidentally have withdrawn support for their regional economic development networks.

In Quebec, even though a provincial strategy exists, there are gaps in the integration of sectoral policy and economic support due to the absence of explicit strategies. For example, tourism projects are often organized at the regional level through regional destination management organizations (RDMOs) but without integration to an overall provincial direction. (OECD 2010)

In Scotland regional and rural strategies exist, but in policy practice they are secondary to sector objectives and priorities (OECD 2008). In the BC context, this would be similar to forestry policy being exercised at the provincial level with little coherence or integration with regional differences and needs. Even though sectors may be administratively linked, they are unlikely to respond to a unified regional vision or approach unless explicitly recognized in the planning framework.

3) Regional strategies should integrate higher level plans with community interests

Overarching broad visions can be used for sub-regional planning and implementation at the community level. This, however, can be a major challenge without underlying policy and economic support for implementation. One of the reasons for the closure of the Oregon Regional Investment Boards was that while funding was flowing to the boards from the state, the involvement of other state agencies was weak (Oregon Economic Development Commission 2008). And while local government bought into the regional

visions and strategies, they did not necessarily gain access to or leverage the sectoral directions of key agencies, especially in land and resources.

On the other hand, where integration is achieved it can provide specific plan guidance and access to policy support. HIE's Digital Highlands and Islands project was directly aligned with the Scottish government's broadband strategy outlined in Scotland's Digital Future - Infrastructure Action Plan. (HIE 2008) As outlined earlier in this report, in the Okanagan, TOTA's tourism regional plan (2012) has specifically recognized Canadian Tourism Commission and provincial higher level plans and provides a clear pathway for local communities in understanding the vertical linkages with proposed regional initiatives.

4) Regional planning is contingent on successful engagement of local areas

Regional economic development delivery is about building a collaborative structure that encourages stakeholders (i.e., all levels of government - municipal, regional district, First Nations, Province and Federal, and regional business, economic development agencies, CFDCs, and other organizations) to provide support for a regional framework. However, as the municipal and First Nations partners at SIBAC have learned the best partnerships come from being involved together from the beginning and mapping out a common direction. This is a critical element in removing the suspicion that exists when they are asked to share resources on the implementation on "someone else's" strategy.

Pacts or agreements are a tool for gaining local buy-in to regional economic development. The incorporation of contractual, place-based commitments, that would establish each party's responsibilities and involve the provision of technical and financial support for communities are a strong incentive for local participation. In Quebec, local institutions and citizens actively participate because of this contractual clarity. On the other hand, the regional programs in other Canadian provinces that have closed in recent years did not have the same level of local buy-in as seen in Quebec. The fact that regional actors did not maintain those organizations once funding was withdrawn is indicative of the perceived value in delivering services.

Additionally, Quebec involves a wide variety of groups in regional planning, with interests that extend well beyond business development—the participatory nature of their rurality policy blends economic development with broader civic objectives built around place-based local partnerships (OECD 2010).

5) Local leadership is foundational to regional structures

Regional visioning and planning processes are invariably led or informed by a strategic leadership group, which is fundamental to successful implementation. Coordinating

regional economic development is a complex task and local leaders are often challenged to align disparate local interests into a cohesive regional context.

Quebec and Highlands and Islands Enterprise all stressed leadership training, learning and ongoing development.

Québec invests significantly more in community capacity building than other Canadian provinces. This investment is a reaction to the experience of other jurisdictions where local economic development policies have not been successful. The objective is to provide a basis for future action using existing social and human capital and capacity and to fill in major gaps. This is in line with the idea that regions should promote their own growth by mobilizing local assets and resources to capitalize on their specific competitive advantages. (OECD 2010)

HIE supports the process of community empowerment to maximize benefits from local assets and build on transformational change. They encourage a fully integrated, 'whole community' approach based on strong leadership dedicated to regional accomplishments that exceed what individual communities can achieve. (HIE no date)

For BC's trust organizations, leadership development at the board level is also a core value (Ellen Frisch & Associates 2011).

6) Regional agents should be identified

Dedicated development agents are necessary for creating a vision of regional development and assisting in policy implementation and monitoring. They act as a bridge between local committees and project promoters, facilitate knowledge sharing, and contribute to monitoring of strategic plans and contractual agreements.

7) A regional delivery framework requires more than a dedication of resources

While the commitment of operating resources is often cited as a necessary precondition of a successful regional development model, it is not the sole building block and often not the most important. In the 1990s, the BC Ministry of Small Business, Tourism and Culture established the REDO program in which 20 regional economic development officers were placed around the province to provide communities and local businesses with economic development support. By 1997 the program was cancelled due to the lack of measurable results. There was no strategic planning or policy support in place and relatively little horizontal integration with other ministries of vertical integration between local government and centralized administration in Victoria.

In Oregon, the Governor's Regional Solutions Teams and network is also highly centralized with command centres in the state capital and all funding coming from

existing departmental budgets. While community advisory committees are in place and the Teams are attempting to establish local and regional priorities, the program is relatively young and has yet to be evaluated for its economic development impacts.

8) Policy should be flexible enough to recognize regional differences

Canadian provinces are large geographic areas with a considerable level of spatial heterogeneity. Variances among economic bases, sector dependencies, availability of infrastructure and socio-economic conditions can be dramatic. Even in smaller jurisdictions like Oregon and the Scottish Highlands, socio-economic differences can be obvious, which calls for a flexible policy, tailored to the opportunities and needs of different places (OECD 2008). In Quebec the flexibility has allowed local officials to mould and adapt the policy successfully to the characteristics of each region. The leeway provided by the policy has helped communities to better reach and capture the desired spirit of the policy (OECD 2010).

9) Regional frameworks are strengthened by vertical and horizontal integration of government policy and programs

Regional economic development efforts are empowered when they are aligned with and able to leverage policy and program support from government. This includes the vertical integration of provincial government down to local government involvement, and horizontal integration of sector or service-based capacity, mainly by the province but within local government as well.

Ideally, vertical coordination would utilize existing structures and stress continuity that encourages provincial ministries to rationalize sectoral policies down to the local level. Such a support framework, while promoting decentralization of economic development planning, simultaneously guides communities to maintain and support higher level objectives and policies.

The issue of horizontal integration is more challenging to address due to rigidities in the bureaucracy. Linking the 'silos' of central government should be an explicit policy priority. Quebec places great emphasis on horizontal co-ordination efforts by having a regional economic strategy and policy framework that encourages different ministries to align their own policies to directly participate in funding agreements and pacts.

Nevertheless, there have been challenges especially given the institutional separation of key ministries responsible for rural affairs and economic development (OECD 2010). In Manitoba, despite the existence of the Regional Development Corporations since the 1960s, there was little horizontal integration or aligning of different ministry policies, other than Agriculture, Food and Rural Initiatives. This made the government's decision in 2012 to withdraw funding from the corporations relatively easy (Cornock 2013, pers.

comm.). This sentiment was also a factor in Oregon's dissolution of their Community Economic Revitalization Teams and Regional Investment Boards.

In Scotland, the lack of horizontal integration has brought about unintended consequences. Government policies do not engage local leaders but instead have created a 'subsidy mentality' where resources are accessed according to top-down strategies even if they are not appropriate for the region (OECD 2008). This poor adaptation of sectoral policy to local conditions is prevalent in the Canadian provincial context as well, except for Quebec.

10) Regional networks should leverage federal programs but integration is unlikely

For most Canadian provinces, the federal level acts in parallel to many provincial programs and is rarely integrated. In the west, Community Futures development corporations, could conceivably be integrated, but due to funding arrangements they rarely are. In BC the exception may be Revelstoke, where the City, Regional District, Chamber of Commerce and Community Futures have been co-located for over 20 years and have developed numerous partnership initiatives (UBCM 2010).

11) Long-term core funding support is critical.

Multi-year funding support from senior governments is seen as critical in legitimizing the regional economic development approach. Secure funding support from senior government is critical in the formation of truly sustainable regional partners and critical in attracting high quality staff. In Quebec, multi-year funding agreements are staggered to span election years and bridge a potential change in government. In Scotland funding is committed through dedicated funding models that are independent and protected from political interference and change. The ability of the BC Trusts to engage in long term development projects is facilitated by the funding certainty provided by their regulatory frameworks.

12) Monitoring and evaluation is critical

A fair and transparent monitoring and evaluation process that accurately reflects the performance and achievements is the binding element of the regional economic development function. Progress in achieving established objectives should be documented and reported back to all stakeholders, but especially funding bodies. For regional development agencies that are an extension of a senior government bureaucracy, monitoring, evaluation and reporting may be driven by departmental policies and procedures. In the case of independent legal entities such as HIE, the annual budgeting and reporting process are described in law. HIE is focused on outcomes and impacts rather than just the implementation of its plans. Their

performance framework is an integral component of the management system. The organization also focuses on delivering what they call “best value”, which is built on five pillars, collaboration, governance and accountability, business improvement, equality and diversity, and reduction of the carbon footprint (HIE no date).

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