

Importance of the Partnership Between the Government of Alberta and Regional Economic Development Alliances as Economic Drivers of Our Province

Issue

The partnership between the Government of Alberta and The Regional Economic Development Alliances (REDAs) is aimed at achieving Provincial economic development priorities by leveraging local expertise, knowledge, and funding from municipalities, businesses, and the federal government. The Government of Alberta's role is to enable and support partnerships, set strategic direction, and collaborate on specific regional projects. The aim is to empower rural regions to identify and pursue opportunities that align with Provincial goals. However, challenges arise when changes in leadership occur, occasionally considering budget cuts or even terminating the partnership. Effective communication of the partnership's outcomes and benefits becomes crucial in such instances to ensure the continued success of the collaboration.

Background

The Regional Economic Development Alliances (REDAs), municipally owned non-profits have engaged in a partnership with the Government of Alberta since the early 2000s. These organizations were initiated by the Provincial Government with the objective of achieving economic development outcomes. The rationale behind this initiative was the recognition that partnering with groups of municipalities in economic regions of the province, due to their shared interest in advancing local opportunities, would be an effective approach. The Government of Alberta sought these partnerships to leverage local expertise, knowledge, and contributions from municipalities, businesses, and the federal government to achieve provincial outcomes. The collaboration has proven successful, with nine thriving REDAs producing notable outcomes for the province with minimal investment from the Provincial Government.

Nevertheless, the continuity of this collaboration has encountered challenges. In 2011, funding for the REDAs was abruptly canceled, leading to persistent difficulties until the 'REDA Renewal'¹ in 2014, marking a crucial moment in revitalizing the partnership. Notably, additional funding initiatives like REDA-CARES from 2016 to 2018 played a pivotal role in contributing to the success of regional projects during this period. Despite budget cuts in 2019-2020, resulting in reduced commitment, REDAs successfully demonstrated their value, garnering increased support in 2022-2023. The trajectory of these events underscores the resilience and positive outcomes achieved by REDAs despite various challenges in the partnership's history.

Example of Success

In 2022, Alberta had 44,705 electric, hybrid, or plug-in cars, constituting 1.2% of the total vehicles. Electric vehicle (EV) sales rose by 63.7% that year, and projections indicate that Calgary may host 300,000 EVs by 2030. To address the growing need for charging infrastructure, the Government of Canada offered \$2 million in rebates for EV charger projects in 2020. Only two Alberta organizations, Alberta Municipalities and SouthGrow, applied, with SouthGrow playing a crucial

¹ <https://www.albertacounselnews.com/thenews/80prc8fe6x17k9ixrq257mvd6cau7a>

role. SouthGrow expanded its funding program to the provincial level, securing federal funding and leveraging additional funds from participants. By 2024, SouthGrow aims to build 188 charging stations across Alberta, with a total project value of \$4,421,112.55, showcasing the success of their strategic approach in collaboration with the Government of Alberta. This success is only one example of the significance of this relationship.

Recent Developments

The Ministries of Energy and Finance have both voiced robust support for the partnership between the GOA and the REDAs, emphasizing their commitment to rural economic development. Their endorsement underscores the significance of collaborative efforts in fostering economic growth in rural regions. Furthermore, the *Economic Development in Rural Alberta Plan (EDRAP)*¹ published in December 2022, serves as a key document, highlighting the importance of regional collaboration as a fundamental pillar for sustainable economic development.

On July 5, 2023, the Ministry of Economy & Trade, in a notable development, received a mandate² to actively collaborate with REDAs on initiatives related to wayfinding services and business attraction. *In the letter* it asks the Minister to collaborate “with partner organizations, including Regional Economic Development Alliances, to enhance wayfinding services and other business-attraction initiatives for investments under approximately \$50 million”. This mandate reflects a strategic commitment to leverage the expertise and capabilities of REDAs in enhancing regional economic development efforts. Together, these expressions of support and specific mandates underscore the government's recognition of the pivotal role REDAs play in advancing economic development goals in rural Alberta.

Current Proposal and Identified Issues

The current proposal from the Ministry dated **January 19, 2024**, presents several critical concerns for the partnership between the Government of Alberta and the REDAs. Firstly, the Ministry suggests an exit from the partnership after three years, a proposal that goes against the ongoing mandate and commitments established in previous agreements. Secondly, the introduction of matching requirements poses a potential challenge for small REDAs, making it difficult for them to meet these requirements and potentially leading to their closure. Additionally, the Ministry's assertion of making funding more equitable and competitive raises questions, particularly as REDAs predominantly represent the smallest and most underserved communities in the province. The proposed "exciting tools" and consultant support are viewed as unnecessary by REDAs, which already possess their own tools and expertise. Lastly, the Ministry's concerns about municipalities not being part of REDAs should be addressed by further supporting and strengthening REDAs rather than considering discontinuation. These concerns collectively highlight potential pitfalls in the proposed changes and emphasize the need for a more collaborative and supportive approach to ensure the continued success of the partnership.

Conclusion

The partnership between the GOA and REDAs has a proven track record of success. To continue achieving positive outcomes for the Province of Alberta, it is crucial to address the identified issues

¹ <https://open.alberta.ca/dataset/b3cb4a52-e3fb-4aeb-a69f-0d32a5a14eec/resource/b4342f56-6762-4fdb-85c0-2856ae599d77/download/agi-economic-development-in-rural-alberta-plan.pdf>

² <https://open.alberta.ca/dataset/bf7f9a42-a807-49b3-8ba3-451ae3bc2d2f/resource/799fdfaa-43b9-4dff-a9da-33d2c3d94bab/download/jet-mandate-letter-jobs-economy-trade.pdf>

and implement the recommended policy changes. This will ensure sustained collaboration, equitable support, and the realization of shared economic development goals.

The Alberta Chambers of Commerce recommendations that the Government of Alberta:

1. Provide funding to REDA's on a project by project basis;
2. Conduct a strategic assessment to enhance REDA potential, focusing on regional growth and identifying opportunities for improved outcomes; and,
3. Collaborative Tool Development: prioritize consultation with REDAs on tools needed for regional work, ensuring that investments align with actual needs and enhance existing capabilities.