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# Economic Development in Rural Alberta Plan



*Alberta*

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©2022 Government of Alberta | Published: December 2022 | ISBN 978-1-4601-5577-6

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## Minister's message



Rural Alberta will help lead Alberta's economic growth. Supporting sustainable growth and diversification in our rural economy remains a top priority for Alberta's government.

We are listening to rural Albertans, and have gathered their perspectives to help support rural economic development. We heard clearly from rural Albertans that rural challenges are unique and need different approaches than what works for their urban neighbours.

Government has developed the Economic Development in Rural Alberta Plan based on the insights gained from our engagement with targeted rural stakeholders. This plan includes key strategies and measurable actions to ensure rural Albertans have economic opportunities where they live.

Recent government actions around broadband, healthcare and infrastructure investment demonstrate government's commitment to rural communities. And we'll keep this momentum going through the strategic directions and actions outlined in the Economic Development in Rural Alberta Plan.

Alberta's government will continue to support our province's economic growth and create jobs by ensuring rural Alberta businesses and employers have access to the tools and resources they need to be successful.

Nate Horner  
Minister of Agriculture and Irrigation

# Rural Alberta economic highlights



Rural communities produce about 30 per cent of Canada's Gross Domestic Product (GDP), with 220,000 rural businesses representing nearly 17 per cent of Canada's employers.

Rural Alberta accounts for 18 per cent of the provincial population and is home to 41 per cent of the public and private investment in the province and 26 per cent of the provincial GDP.

\$279,525,229 - Revenue of Indigenous tourism operators in Alberta in 2021, the second highest provincial total in Canada.

Since 2016, there has been a 2.7 per cent decline in the rural Alberta population.

More than 30,000 Albertans working for small- and medium-sized businesses rely on the forestry industry for their livelihoods, including shop owners, restaurants, local hardware suppliers, environmental consultants, and many more. Forestry companies are committed to supporting the local communities they operate in by prioritizing buying from local small and medium-sized businesses located close to industry site operations, spending about \$2.5 billion over the past five years with local suppliers.



Alberta's forest companies provide well-paying jobs and meaningful work, with an average annual compensation of about \$62,317 to those under 25 – higher than average for Canadians working elsewhere in the forest industry. The sector supports 31,573 jobs in the province, including the direct employment of 16,565 people. The sector is also an important part of Alberta's supply chain and contributes to employment through indirect jobs, with the transportation industry most impacted by upstream employment, accounting for 1,378 jobs.



Alberta's provincial parks generate more than \$1 billion in economic activity, and contribute more than 9,000 jobs through direct and indirect employment at more than 740 sites across the province, the vast majority of these in rural areas.

Alberta anticipates \$3.75 billion in renewable sector investment by 2023, creating 4,500 jobs.

Limited access to communications infrastructure makes attracting new business to rural Alberta a challenge.

Small businesses account for 98 per cent of all businesses in Alberta, representing an important segment of the rural economy.



18 projects, worth \$321.9 million, were supported with \$124.1 million in funding from the Investing in Canada Infrastructure Program's Rural and Northern Communities Infrastructure stream. These projects are estimated to have created 1,801 direct jobs for rural Albertans.

There are 133 active capital maintenance and renewal projects in rural Alberta communities. Alberta has invested about \$78 million to fund these projects, creating more than 440 jobs.



There are 21 active capital projects (health, school, post-secondary institution) in rural Alberta communities. Alberta has invested about \$510 million to fund these projects, creating about 2,800 construction-related jobs.

# The need for a rural economic development plan

With a focus on Alberta's economic growth, it is more important than ever that rural communities are strong, vibrant and inclusive places to call home. When rural communities succeed, all of Alberta is made stronger. However, areas of Alberta located away from major centres or with small populations have difficulty taking advantage of economic opportunities. They require a supportive economic development environment that enables capacity building within their communities, so they have the skills and knowledge to take advantage of regional economic opportunities and increase business retention, expansion and attraction.

Rural Alberta is made up of different landscapes and communities including Indigenous Peoples. Each community has unique characteristics that contribute to its economic well-being and the province's prosperity. In the past decade, many Alberta towns, villages and rural areas have experienced population decline, while cities and urban municipalities continue to grow. Further, the extended downturn in the resource sector, supply chain issues and other world events have, in many cases, negatively affected the economies of rural communities.

Alberta's economy is evolving and modern rural economies extend beyond agricultural production and primary resources. New industries and opportunities are emerging alongside traditional economic drivers. Rural Alberta deserves a strong plan for economic development that reflects innovation, diversification and sustainable long-term growth.

Over the past year, the Government of Alberta has refocused its rural economic development efforts, demonstrating a commitment to Alberta's rural communities and acknowledging the positive impact they have on the province's economy. The appointment of a minister responsible for rural economic development led to a series of engagement sessions with rural stakeholders and Indigenous communities to gather their perspectives on the successes, challenges and opportunities for rural economic development.

# The Economic Development in Rural Alberta Plan (EDRAP)

Developing a rural economic development plan started with a series of engagement sessions with rural stakeholders and Indigenous communities from across the province over the fall of 2021 and into the spring and early summer of 2022.

The purpose of these engagements was to:

- Gather the rural perspective on economic development challenges and opportunities in the participant's communities and regions.
- Connect rural stakeholders and Indigenous groups to new and existing economic development programs being offered by the Government of Alberta.
- Solicit ideas to inform sector strategies and future actions that will ensure rural Albertans are able to benefit fully from Alberta's economic growth.
- Obtain insights on rural issues that will be shared throughout government.

The Minister of Agriculture and Irrigation (AGI) hosted 17 virtual engagement sessions with more than 370 rural Alberta stakeholders, receiving 3,500 comments. An online survey was conducted concurrently and received an additional 919 responses. Government met with key stakeholders from the rural economic development field, from multiple regions and economic sectors, all with an interest in the success of rural Alberta. The engagement sessions were attended by municipal leaders, business owners, community-based economic development organizations, chambers of commerce and Indigenous communities.

Data received from the sessions and the online survey was analyzed and used to develop the EDRAP vision, guiding principles and strategic directions. These were refined and validated through phase two targeted engagement with the same stakeholders.

In June and July 2022, six hybrid engagement sessions brought participants back together for more in-depth conversations on specific topics. In total, 168 participants gave feedback through this round of conversations, either online or in person. The sessions presented key aspects of the draft EDRAP for information, further discussion and the opportunity to provide additional input into plan development. Three information sessions were also conducted with the Rural Municipalities of Alberta, Alberta Municipalities and Economic Developers Alberta.

The engagement sessions confirmed that rural economic development requires unique considerations to address rural challenges and opportunities. Issues of growth and sustainability in rural and Indigenous communities are not necessarily the same as those found in urban centres. Supporting business growth and retention and increasing investment requires a concerted effort to improve efficiencies, provide community services which enable economic development, attract labour and investment and support tourism infrastructure.

The conversations that informed the EDRAP development were wide-ranging and covered topics of concern related to rural economic development and community services such as access to health care, education and other services. It is important to note that the EDRAP is not a plan for community development. Instead, the EDRAP focusses on strategies for sustainable economic development which emphasize regional collaboration and enhancing economic development capacity.

Communities that work together can more optimally pool resources to pursue common issues and opportunities. Regional collaboration enables communities and other stakeholders to work together to achieve more strategic outcomes. Participating in a regional partnership mitigates a rural community's "grow on your own" challenge and maximizes the benefits of a collective experience.

## Defining rural in the Alberta context

Defining rural is difficult. It is sometimes defined by population size, density, or distance to other communities and services. However, in the context of economic development, rural refers to a community's capacity to sustain itself and grow, the quality of life for residents and the industries that contribute to its economy. During the engagement sessions, participants suggested the most common characteristics of rural communities include:

- a population of less than 20,000 people,
- limited geographic proximity to population centres over 25,000 that could provide employment and services,
- communities may be remote or have in them, or around them, a significant amount of nature, natural resources, agricultural land and wilderness areas, and
- a workforce largely focused on primary economic activity, including oil and gas, agriculture and forestry.

While not all of the characteristics listed apply to every rural and Indigenous community, many rural Albertans will see aspects of themselves and their communities represented.

## Shared rural vision

Successful rural economic development requires the participation and dedication of community members, civil society organizations, communities, the private sector, regional alliances and multiple levels of government all working collaboratively towards common goals.

During the phase one rural economic development engagement sessions (fall of 2021), rural Albertans and Indigenous community members outlined their vision for rural Alberta, which was further refined and validated with participants during the phase two engagement sessions:

### Vision statement

**Alberta's rural community is resilient, innovative and prosperous, providing sustainable economic opportunities for individuals, families, businesses and visitors.**

## Guiding principles

Implementing the EDRAP will require a set of guiding principles to shape and inform the development of implementation plans, future policies, initiatives and programs. Through the targeted engagement sessions, these guiding principles have been developed, refined and validated:

### Community- led

Community input and participation in programs and services to focus on building economic development capacity.

### Achievable

Establishing clear linkages between action items and available resources.

### Flexible

Considering new and emerging industries and opportunities while continuing to build on existing foundational industries.

### Collaborative

Fostering a collaborative ecosystem across all levels of government, including Indigenous communities and rural stakeholders.

### Inclusive

Building inclusive approaches for all rural and Indigenous communities' capacity, resources and geography.



## Strategic actions/directions

Based on feedback collated from the engagement sessions, several themes readily emerged to support rural economic development and prosperity in Alberta: critical infrastructure, red tape reduction, workforce strategies, rural investment attraction, rural tourism and rural business supports.

Analysis of the feedback received from phase one engagement, informed by national and international jurisdictional scans that examined rural economic development best practices, led to five strategic directions that were validated by rural stakeholders through phase two engagements, including economic development enabling infrastructure, rural business supports, support for labour force and skills development, marketing rural and promoting rural tourism, and rural economic development capacity building.

Red tape reduction is a well-established core government action adopted in December 2019. Under the *Red Tape Reduction Act*, all government policy and program development must incorporate red tape reduction, which is already integrated into the EDRAP.

Throughout the engagement sessions, rural stakeholders and Indigenous communities continuously stressed the importance of collaboration as essential to the success of EDRAP actions.

Consequently, collaboration was established as a guiding principle of the EDRAP.

The significant impact of rural communities on our province's economy means that getting it right is essential. As part of the Alberta government's focus on rural economic development, a number of significant actions in Budget 2022 address key challenges facing rural Albertans and Indigenous communities, and are well underway. Notably, many of these touch on concerns raised by rural stakeholders during phase one engagement in the fall of 2021.

The EDRAP sets out an action plan for a five-year commitment. Initiatives are designed to support capacity building in the key areas of entrepreneurship, skills development, small business supports, marketing rural and Indigenous communities and promoting tourism and rural economic development interconnectivity at the regional level.

The intent of the EDRAP strategic directions and the corresponding actions are to compliment the extensive work already underway and to enhance economic development capacity, support to small businesses and entrepreneurship, advance rural tourism initiatives and to build the workforce to take on economic development projects.

ONGOING SUPPORTING INITIATIVES	
The Alberta Broadband Strategy 2022	Alberta Indigenous Opportunities Corporation
Investment and Growth Fund (rural stream)	Alberta Health Services Nursing Initiatives
Forest Jobs Action Plan	Energy Savings For Business (Emissions Reduction Alberta)
The Strategic Transportation Infrastructure Program	Climate Resilience Capacity Building Program
Alberta Advantage Immigration Strategy	Rural Health Professions Action Plan
Aboriginal Business Investment Fund	University of Calgary Veterinary Medicine program expansion
Travel Alberta's rural tourism initiatives	Results Driven Agriculture Research
Film and Television Tax Credit	Alberta 2030: Building Skills for Jobs
Irrigation Infrastructure Investment	Building Forward: Alberta's 20-Year Strategic Capital Plan
Red Tape Reduction Implementation Act	Business Corporations Amendment Act
Alberta Investment Attraction Act	Alberta's Recovery Plan
The Rural Education Supplement and Integrated Doctor Experience (RESIDE) program	First Nations Regional Drinking Water Tie-in Project
Workforce Partnerships Grants	The Innovation Employment Grant
THRIVE Canada Accelerator	Employment Partnerships Program
Stronger Foundations affordable housing strategy	

# Strategic direction 1

## Economic development-enabling infrastructure

### Identify and improve economic development-enabling infrastructure to support investment and growth in rural Alberta.

Power, water, telecommunications and transportation networks are vital to residents and businesses to attract new investments. The government has taken initiative to support the development of economic development-enabling infrastructure.

#### Supporting initiatives

- \$5.8 billion committed over three years to support infrastructure projects in cities, towns and smaller communities.
- Almost \$933 million invested in irrigation infrastructure in partnership with 10 irrigation districts to expand and modernize Alberta's irrigation infrastructure.
- Budget 2022 makes reliable, affordable, high-speed internet a reality across the province through a \$390 million investment over the next four years in the Alberta Broadband Strategy with matching federal funds dollar-for-dollar, which will unlock a total of \$780 million in public sector funding.
- \$100 million committed to provide reliable access to clean drinking water to 14 Indigenous communities through the First Nations Regional Drinking Water Tie-in Project.
- Alberta is spending \$31.5 million over the next year on transportation infrastructure for rural and smaller urban municipalities as part of a \$103.4 million investment over three years under the Strategic Transportation Infrastructure Program.
- The Building Forward: Alberta's 20-Year Strategic Capital Plan takes a province-wide view to help government navigate its way through the challenges and opportunities facing our province over the next two decades, ensuring we will have the right infrastructure in place to support Alberta's future.
- Through the Municipal Sustainability Initiative, government continues to make a significant investment in local infrastructure priorities. From 2021 to 2023, an average of \$722 million is being allocated to municipalities and Métis Settlements, a significant proportion of which will go to rural communities. Local governments determine which local infrastructure projects will be funded, based on local priorities.

#### New actions

1. Ensure all of Alberta has broadband service availability by 2026 and supports are in place to provide digital literacy training.
2. Build on work to further develop transportation corridors to maximize economic development opportunities.
3. In 2024, the Municipal Sustainability Initiative will be replaced by the Local Government Fiscal Framework, which will provide permanent, predictable funding for a wide range of infrastructure.



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## Strategic direction 2

# Rural business supports and entrepreneurship

### Advance entrepreneurship capacity and a culture of innovation across rural Alberta.

The remoteness of rural communities can pose challenges to access supports for entrepreneurship and small business.

#### Supporting initiatives

- Alberta Advantage Immigration Program's Rural Renewal and Rural Entrepreneur Streams are a flexible new strategy to attract and support skilled newcomers with global skills and talent to help diversify the economy and create jobs.
- The THRIVE Canada Accelerator supports early-stage startups whose technologies help drive towards a more efficient, sustainable, and secure agriculture future.
- Supporting value-added forest product manufacturing in partnership with WoodWorks, an organization focused on growing the use of Alberta wood products in Alberta and beyond.
- Through the Investment Growth Fund's rural stream, \$5 million has been approved for three years, starting in 2022/23, to support a rural investment attraction.
- Over five years, Alberta contributed more than \$406 million toward agriculture operations and value-added businesses through the Canadian Agricultural Partnership.
- The Forest Jobs Action Plan includes awarding timber rights to companies across northern Alberta through a request for proposal process that requires specific benefits to local rural communities, including Indigenous communities.
- Results Driven Agriculture Research promotes economic development through research and innovation. Its mandate is to target strategic investments in producer-led agriculture research to power the competitiveness, profitability, productivity and sustainability of agriculture in Alberta.
- The Labour Market Partnerships grant program supports labour market research, workforce strategy development and local hiring events.

#### New actions

1. Establish new targets and update the Alberta Agri-Food Investment and Growth Strategy.
2. Support rural entrepreneurship training and leadership development in rural Alberta through collaboration with key partners.
3. Leverage changes to the Rural Utilities Act, enabling rural electrification associations to capitalize on rural economic development opportunities through innovation and business development.



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## Strategic direction 3

# Support for labour force and skills development

### Enable skills development in rural communities to enhance workforce capacity today and for the future.

The rural labour force is declining as the population ages, and younger Albertans often leave to settle in urban centres. With a declining workforce and population, supporting community services such as health, education and businesses becomes more challenging.

#### Supporting initiatives

- Alberta's government is investing \$55 million over three years so that Albertans have more access to affordable housing.
- Alberta 2030: Building Skills for Jobs Strategy is a 10-year strategy for post-secondary education in Alberta that will transform the adult learning system to focus on providing the high-quality education, skills and training needed for Alberta's future.
- The Rural Health Professions Action Plan will help ensure that all Albertans can access high-quality care through initiatives that support rural health education, rural health workforce recognition and the attraction and retention of rural health professionals.
- The Employment Partnerships Program provides funding for Indigenous skills and employment training programs that connect Indigenous Peoples to meaningful employment opportunities.
- Government is supporting forestry labour development via grants to Work Wild, an industry supported organization focused on promoting forestry to young Albertans.
- Training for Work programs help Albertans gain skills to find work, improve their employment situation and increase their ability to cope with changing labour market conditions. The program has invested \$25.9 million in more than 55 urban and rural communities across Alberta.

#### New actions

1. Leverage Alberta's library system to support knowledge transfer and skills development.
2. Improve awareness of agriculture and agri-food related careers and support to attract and retain workers in rural Alberta.



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## Strategic direction 4

# Marketing and promoting rural tourism

### Enhance rural Alberta's reputation and capacity as a diverse tourism destination.

Alberta's rural economy has traditionally focused on primary agriculture and natural resource industries. In recent years, small business, tourism, manufacturing, renewable energy and value-added processing have all become increasingly important to the rural economy. Tourism has significant potential through natural assets found in rural Alberta, and realizing that potential requires developing new products and experiences that meets the needs of visitors. A thriving tourism industry helps attract and retain talent that supports other industries.

#### Supporting initiatives

- The Film and Television Tax Credit offers a refundable Alberta tax credit certificate on eligible Alberta production and labour costs to corporations that produce films, television series and other eligible screen-based productions in the province.
- Travel Alberta's destination marketing promotes rural Alberta and Indigenous communities.
- Alberta Open Farm Days is an incubator for agri-tourism and rural sustainability.

#### New actions

1. Support Alberta's rural visitor economy to ensure rural and Indigenous communities are strong and vibrant with opportunities for employment and economic diversification.



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## Strategic direction 5

# Rural economic development capacity building

### Enhance rural economic development through regional and targeted capacity building.

Collaboration and cooperation at a regional scale leverages collective resources and economic development opportunities.

#### Supporting initiatives

- The Alberta Agri-Food Investment and Growth Strategy set targets to attract \$1.4 billion in investment by 2024 and create 2,000 jobs in the agri-food sector.
- Government earmarked \$59 million to expand the Veterinary Medicine Program at the University of Calgary.
- The Aboriginal Business Investment Fund can partially or completely fund capital costs for Indigenous community-owned economic development projects.
- The Alberta Indigenous Opportunities Corporation was established in 2019 to facilitate investment by Indigenous groups in natural resources, agriculture, telecommunications and transportation projects.
- Continued collaboration with and investment in Regional Economic Development Alliances, Applied Research Associations and Agricultural Service Boards.

#### New actions

1. Invest Alberta will partner with local economic development agencies to drive increased foreign direct investment to rural Alberta.
2. Continued collaboration with and investment in Regional Economic Development Alliances.
3. Work with all partners to further develop capacity building and mentorship programming targeted to rural and Indigenous community needs, and develop a regional policy approach to rural economic development capacity building.
4. Develop a one-stop Alberta.ca webpage to highlight programming for rural economic development initiatives.





## Ongoing collaboration and reporting

Implementation of the EDRAP will require a collaborative approach both within the Government of Alberta and between governments, rural economic development leaders and Indigenous communities to identify key opportunities to enhance current programs and services, advocate for new programs that will address key challenges, and reduce duplication. The government will ensure cross-ministry collaboration on rural economic development through a senior-level committee. There are also opportunities to collaborate with the Government of Canada on rural economic development projects and initiatives for rural and Indigenous communities.

The Alberta government will collect data and narrative from rural economic development key stakeholders, including other government ministries, to develop annual progress reports starting in 2023, an interim report in 2025 and a final impact report in 2028. Highlights will be publicly available on Alberta.ca, and reporting also provides opportunities to adjust or refine plan actions as required.

