

# Strategies for Economic Development in Rural PEI

Phase I, II and III

# 2009



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## **EXECUTIVE SUMMARY**

The objective of this study was to identify potential projects and initiatives to create economic development opportunities in Rural PEI and more specifically within the areas served by Resources West Inc., Central Development Corporation and Active Communities Inc.; three of the Regional Economic Development Organizations (REDOs) serving Rural PEI.

### **Phase I – Regional Overviews**

Rural PEI is increasingly challenged not only in attempting to grow the economy in these areas but in maintaining the status quo. Primary industries which are responsible for 18% of the employment in rural areas are struggling to remain competitive, the number of farms has declined and fisheries continues to be pressured by declining resource stocks and decreasing market prices. The largest area of employment in the rural population, sales and service (19%) is dependent on the continued thriving of other sectors of the economy.

Economic growth requires people, and the population growth in Western and Eastern PEI has lagged behind the population growth in PEI as a whole. Central PEI however, has population growth that is outpacing PEI's population growth. PEI has an increasing percentage of its population residing in urban areas. During the past 50 years the rural based percentage has declined from 69% to 55% on the 2006 census. The demographic of the population is also changing and by 2011 it is projected that the retirees from the labour force will exceed the number of new entrants and that this gap will increasingly widen until 2025.

There are a number of current initiatives being supported by the federal and provincial government in Rural PEI. ACOA has supported rural development in PEI since 1987 and provides support to four regional economic development agencies in the Province. Other federal initiatives such as the Build Canada Fund, Atlantic Gateway and Agriculture and Agri-Food Canada's Growing Forward framework provide support to Rural PEI. The provincial government through its Rural Jobs Initiative, rural broadband expansion, the Island Prosperity Strategy, administration of the Labour Market Development and Labour Market agreements, decentralization of provincial government jobs, its Rural Action Plan, and other initiatives is also supporting the rural economy of PEI.

Strengths, weaknesses, opportunities and threats (SWOT) for Rural PEI were identified through secondary research which included a review of previously conducted studies. A summary of the SWOT analysis is provided below.



## SWOT Analysis of Rural PEI



## Phase II – Input from Rural PEI

Phase II of this engagement was focused on identifying potential economic development strategies for rural areas of PEI served by Resources West inc. (Western Region), Central Development Corporation (Central Region) and Active Communities Inc. (Eastern Region). Input was gathered from business and community leaders within each of the regions through a series of round table sessions. During the course of the study, numerous specific projects and initiatives were suggested, many of which appeared viable and could potentially contribute to the long-term economic growth of each region. The REDOs may have a role in moving forward some of these projects and initiatives, however there may be some good projects that are championed by others. The involvement of the REDO in any particular project or initiative will vary and many other partners and funding sources will be required. The round table sessions with business leaders identified the urgency for increasing Rural PEI business competitiveness, the challenges they face and what is required to assist.



**Urgency for Increasing Rural PEI Business Competitiveness**



Many of the projects and initiatives were identified in more than one region while other projects were specific to a particular region of Rural PEI. Projects and initiatives are summarized below with descriptions provided in Sections 7.1 to 7.4 of this report.

Rural PEI Projects and Initiatives – Section 7.1
Assist primary industries and existing supporting businesses with innovation strategies.
Focus on value-added initiatives for the primary sector.
More government presence in region or funding so REDOs have sufficient human resources.
Assist in expanding markets.
Increase competitiveness for existing products.
Encourage community cooperation and information sharing.
Develop a Festival and Events Program.
Launch Community Economic Development Investment Fund (CEDIF).
Develop a Business Transition Program.
Create a rural population strategy.
Develop an Aliant/Holland College rural development through education strategy.
Support potential refocusing of PEI Food Technology Centre.
Provide Board and volunteer training.



### Western Region Projects and Initiatives – Section 7.2

- Expand wind sector.
- Grow scientific community.
- Develop a plan for a green region and identity.
- Develop Bloomfield Business Park as an Eco-Business Park.
- Develop unique tourist experiences.
- Support West Prince central cold storage facility.
- Provide investment in fish processing.
- Explore algae harvesting opportunities.
- Investigate fibreglass boat shop alternative products.
- Provide more training opportunities.

### Central Region Projects and Initiatives – Section 7.3

- Develop renewable energy cluster.
- Develop aquaculture initiative.
- Explore organic farming opportunities.
- Provide assistance to further develop opportunities ideas from concept stage.
- Support tourism shoulder season expansion.
- Support Confederation Trail expansion.
- Support Rustico Harbour – Boardwalk Extension/Fishermen’s Interpretative Centre.
- Expand green tourism sites.
- Support Crapaud Exhibition host facility.
- Support Kensington Community Wellness Complex.
- Support Scales Pond initiatives.
- Develop program to make rural businesses more productive without having to increase employment.

### Eastern Region Projects and Initiatives – Section 7.4

- Provide support for common infrastructure.
- Provide more training opportunities.
- Attract people to live in Eastern PEI.
- Support ferry service.
- Increase experience based tourism product.
- Support specific private sector projects identified in Section 7.4.6.
- Develop strategy for management of government land.
- Support Montague South Side development.
- Support Souris waterfront development projects.
- Explore opportunities for population and employment growth.



Criteria for evaluation of the numerous opportunities that could be pursued to assist the regions in strengthening the Rural PEI economy are essential. The following criteria were developed taking into account the stated strategic direction of the Federal and Provincial Governments in economic development and input received from those individuals who live in and operate businesses or champion community initiatives in Rural PE:

1. Projects first and foremost must be sustainable and economically viable.
2. Projects must provide an economic benefit to Rural PEI through job creation, maintenance of existing direct and indirect jobs, and enhancement of existing employment opportunities or by strengthening community infrastructure to improve the community's economic development capacity.
3. Projects must demonstrate that a strong management team or champion exists to drive the project forward and achieve success.
4. Projects should be supported by the local community and take advantage of existing strengths and assets in the region.
5. Projects should demonstrate the potential to leverage other investment from the private sector and other levels of government.
6. Projects should build critical mass in strategic sectors.

### **Phase III – Service Delivery**

Phase III of the engagement focused on provision of economic development services in Rural PEI, defining the roles of the REDOs and identifying duplication or gaps in service delivery from the many types of organizations serving rural areas. Four separate organizations provide community development support and business counselling and six different organizations disseminate information to businesses. It is important to note that in many cases the service is not a primary role of the organization but is often provided on a reactive basis where a client requests the assistance because they don't know who to ask and have developed a relationship with a particular organization or representative. In the case of information it is often limited to readily known information or information on their programs. There are a number of organizations serving Rural PEI, however it does not appear that products and services are necessarily being duplicated. The biggest challenge is that individuals, business representatives and community volunteers are not aware of the existence of some organizations or their roles.



Several gaps in service delivery were identified in Rural PEI. These included:

- No structured forum for sharing of information amongst service providers and business owners results in business owners not being able to take advantage of all available programs and services.
- Majority of government offices in Charlottetown or Summerside thus limited opportunities for Rural business owners to make contact with government decision makers.
- No focus on business prospecting for rural areas.
- Business libraries in rural areas are limited and not updated regularly.
- Lack of mentoring and support for businesses in rural areas. Although many service deliverers attempt to offer this service most report they do not have resources to deliver properly. There is also a lack of funding to assist businesses in accessing professional consulting expertise.
- Access to financing can be a challenge – both operating lines and equity financing.
- Resources to provide training dollars are not always available on a consistent basis. Training/education opportunities are not always available in rural areas so more costly in terms of both time and travel.
- Community groups do not always have the volunteer capacity to do strategic planning, set realistic goals and objectives, establish measurement criteria, and/or to do effective marketing and promotion. Without this capacity it is more difficult to obtain project funding.
- Resources exist to assist communities and volunteers with implementation of community projects however no resources or process exists to assist community volunteers once the project is operational.

The analysis of findings from key informant interviews, Board sessions, and best practices review have led to recommendations for service delivery in two major categories:

#### *Opportunities For Achieving Efficiency And Effectiveness*

1. Provide a physical government presence in Rural PEI.
2. Establish a single point of contact.
3. Facilitate networking and sharing amongst government representatives.
4. Encourage community engagement and planning.

#### *Strategies For More Competitive Vibrant Rural Communities*

5. Create a central location for information sharing on government programs and services, contacts and professional expertise.
6. Coordinate networking opportunities for community groups and government representatives.
7. Co-locate with Provincial, Federal and other economic development resources serving Rural PEI.
8. Coordinate training opportunities for community groups in the region.



Success measures have been identified by the REDO Board Members such as:

- Improved demographic factors such as population and education and in some cases maintenance alone would signify success,
- Stronger and larger volunteer base in communities,
- Increased community engagement and increased number of partnerships,
- Increased number of development projects in the region,
- Economic spin-off from supported projects in the region, and
- Supported projects are sustained in the long-term.

Implementation of the actions identified in the strategy will require the continued commitment of ACOA to provide funding to the REDOs and a longer term funding commitment within each region to allow the REDOs to design action plans that can be implemented and provide measurable results. Next steps required of the REDOs should include:

- Review the suggested success measures and develop performance criteria for the organization. It will be important that the REDO selects performance criteria that are measurable and directly attributable to the actions of the organizations.
- As a collective group of REDOs review those projects and initiatives that were identified in more than one region or that could apply on a Rural PEI basis and determine what the role is for the REDOs in moving the initiative forward. For those projects where a REDO is the logical organization to champion the initiative, the group should select one REDO to take the lead.
- Review the projects and initiatives identified specific to their region and evaluate them according to the criteria established for evaluation of opportunities. Develop an action plan prioritizing the best projects, identifying the level of involvement of the REDO in the project/initiative (lead/facilitation/partner), and identifying other partners required to move the project/initiative forward.



## **1.0 INTRODUCTION**

### **1.1 Objective**

The objective of this study was to identify potential projects and initiatives to create economic development opportunities in Rural PEI and more specifically within the areas served by Resources West Inc., Central Development Corporation and Active Communities Inc., three of the Regional Economic Development Organizations (REDOs) serving Rural PEI.

### **1.2 Methodology**

The study was conducted in three phases. Phase I resulted in an overview of the economy in Rural PEI and each of the three areas noted above. The overview was developed using statistics from Statistics Canada and the Province of PEI 34<sup>th</sup> Annual Statistical Review, reviewing over 15 studies in the general topic area of rural economic development on Prince Edward Island, and conducting interviews with the managers of each of the REDOs. These reports were reviewed for the purpose of establishing a list of ideas and current initiatives for the purpose of discussion in this comprehensive regional economic development study. A listing of those reports can be found in Appendix I of this report. Information obtained through this methodology was analyzed and the analysis is presented as Strengths, Weaknesses, Opportunities and Threats (SWOT) for Rural PEI, Western PEI, Central PEI and Eastern PEI.

In Phase II we reached out to business owners and community leaders (Appendix II) in each of the three study regions for input on projects and initiatives that they would like to see implemented in their regions to improve the economy. The three round table sessions with business owners were held in April, 2009. Each of the REDOs worked with the consultants to develop a list of potential attendees for their region. MRSB Consulting Services invited business owners to attend facilitated evening sessions in their particular regions. Effort was made to have participants at the sessions who represented various sectors within the economic profile of the region. A group of ten business owners attended in each of the regions. The objective of the sessions was to receive input on some good projects or opportunities for economic growth in Rural PEI and what is required to make them happen. Three round table sessions were also held with community leaders in each of the regions. Again, each of the REDOs identified a list of potential attendees and effort was made to have participants at each of the sessions who represented various communities within the region. Two round table sessions had 12 community leaders in attendance while the third session had eight participants. Information obtained at the business owner round table sessions was presented to the community leaders and input was received on potential projects or initiatives for economic growth in the region. Input was also sought in Phase II from six experienced business owners on their best practices for growing rural businesses. Best practice interviews were conducted by telephone.

Phase III was focused on the service delivery mechanisms for economic development in Rural PEI. Key informant interviews were held with fourteen representatives of Resources West Inc., Central Development Corporation, Active Communities Inc., West Prince Ventures, the CBDC in Summerside,



Service Canada, Canada Business Service Centre, PEI Business Development Inc., Department of Tourism, La Société de développement de la Baie acadienne, RDÉE Île-du-Prince-Édouard, the PEI Department of Aquaculture, Fisheries and Rural Development and the PEI Department of Tourism. Key informant interviews were focused on gathering information on the roles and responsibilities of the organizations and identification of gaps and duplication in service. A copy of the interview guide can be found in Appendix III and a list of key informant interviewees in Appendix IV. A literature review was completed on best practices in rural economic development in other locations and sessions were held with each of the REDO boards to discuss the Board Members views on the role of the organization and how they would measure success of the organization. An analysis of the information gathered through key informant interviews, Board input and literature review provided the basis for recommendations for achieving efficiency and effectiveness in service delivery for development of more competitive and vibrant rural communities.

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## PHASE I – REGIONAL OVERVIEWS



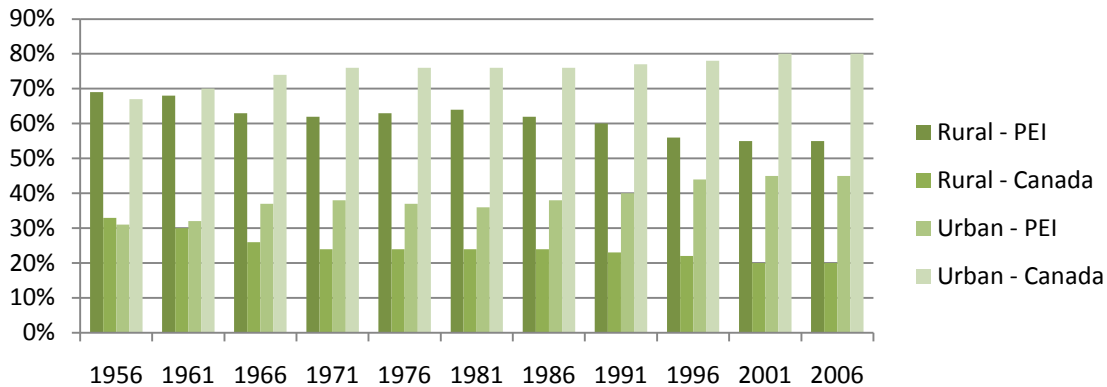


## 2.0 RURAL PEI

### 2.1 Demographic Analysis

#### 2.1.1 Population

Figure 1 – Population Rural and Urban, 1956-2006

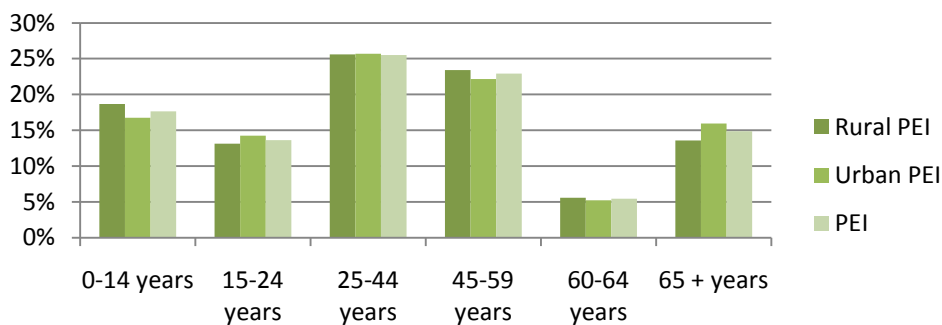


Source: Statistics Canada: Population urban and rural, by province and territory

Over the past 50 years the population profile for PEI has changed from 69% rural to 55% rural, however the rural population in total has increased from 68,815 in 1956 to 74,130 in 2006 (a 7.7% increase). During this same time frame the population profile for Canada has moved from 33% rural to 20% rural. In Figure 1, above the rural population refers to persons living outside centres with a population of 1,000 and outside areas with 400 persons per square kilometre, therefore the Cities of Charlottetown and Summerside and the Towns of Stratford, Cornwall, Kensington and Montague are excluded from the rural population totals in this graph.

#### 2.1.2 Age

Figure 2 - Distribution of Population by Age in Rural PEI, Urban PEI, and PEI, 2006



Source: Statistics Canada 2006 Census Community Profiles

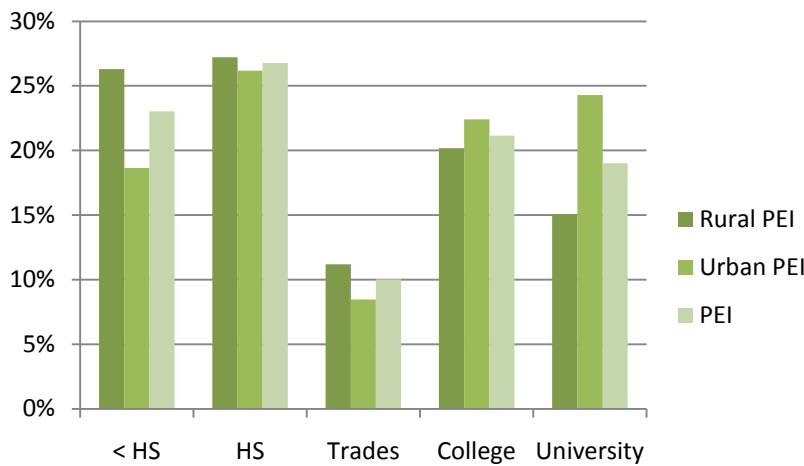


The age profile of the rural population and urban population are not significantly different. There is a slightly higher percentage of the population 0-14 years of age in Rural PEI (19%) than in Urban PEI (17%) and a slightly higher percentage of the population 65+ years of age in Urban PEI (16%) than in Rural PEI (14%). All other age categories differ by 1% or less.

### 2.1.3 Education

The University category shown in Figure 3 combines two Statistics Canada 2006 Census Community Profiles educational attainment categories – 1) University, certificate or diploma below the bachelor level and 2) University certificate, diploma or degree.

**Figure 3 - Educational Attainment, Ages 15-64, Rural PEI, Urban PEI and PEI, 2006**



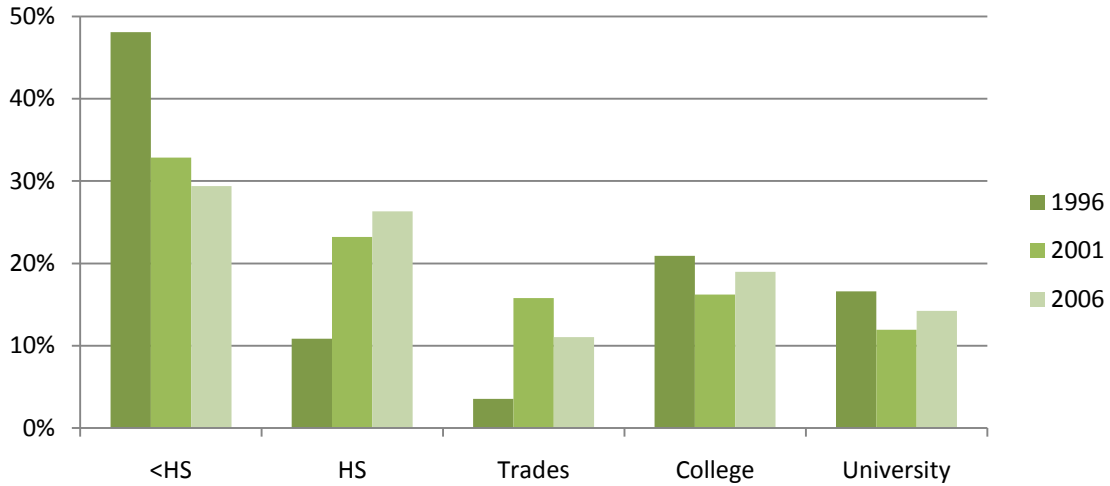
Source: Statistics Canada 2006 Census Community Profiles

In Urban PEI, 24% of those aged 15 to 64 had a University education while in Rural PEI 15% of the population had a University education. In Urban PEI, only 19% of the population aged 15-64 had less than a high school education while in Rural PEI this percentage increases to 26%. It should be noted that no attempt has been made to breakdown the educational attainment of the portion of the population age 15 to 17 and it is expected that the majority of these individuals would have less than high school education.

Please note that in Figures 4 and 5 that follow, the ages measured for “highest level of schooling” varied from census to census. In the 1996 Census “highest level of schooling” included total population 15 years and over. In the 2001 Census “highest level of schooling” was measured for ages 20 to 64. In the 2006 Census “educational attainment” was measured for ages 15 to 64.



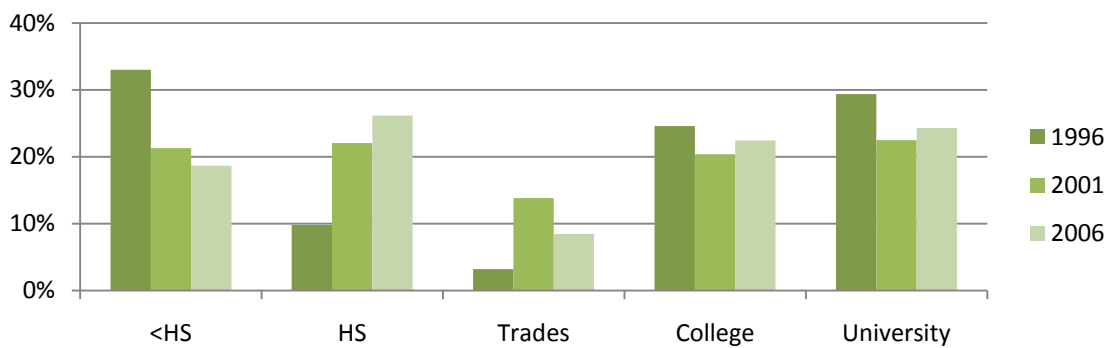
**Figure 4 - Changes in Educational Attainment, Working Age Population, Rural PEI, 1996-2006**



Source: Statistics Canada 1996-2006 Census Community Profiles

In Rural PEI educational attainment has improved in most categories since the 2001 census, however University and College education has declined since 1996. This is comparable to overall urban results as shown in Figure 5.

**Figure 5- Changes in Educational Attainment, Working Age Population, Urban PEI, 1996-2006**

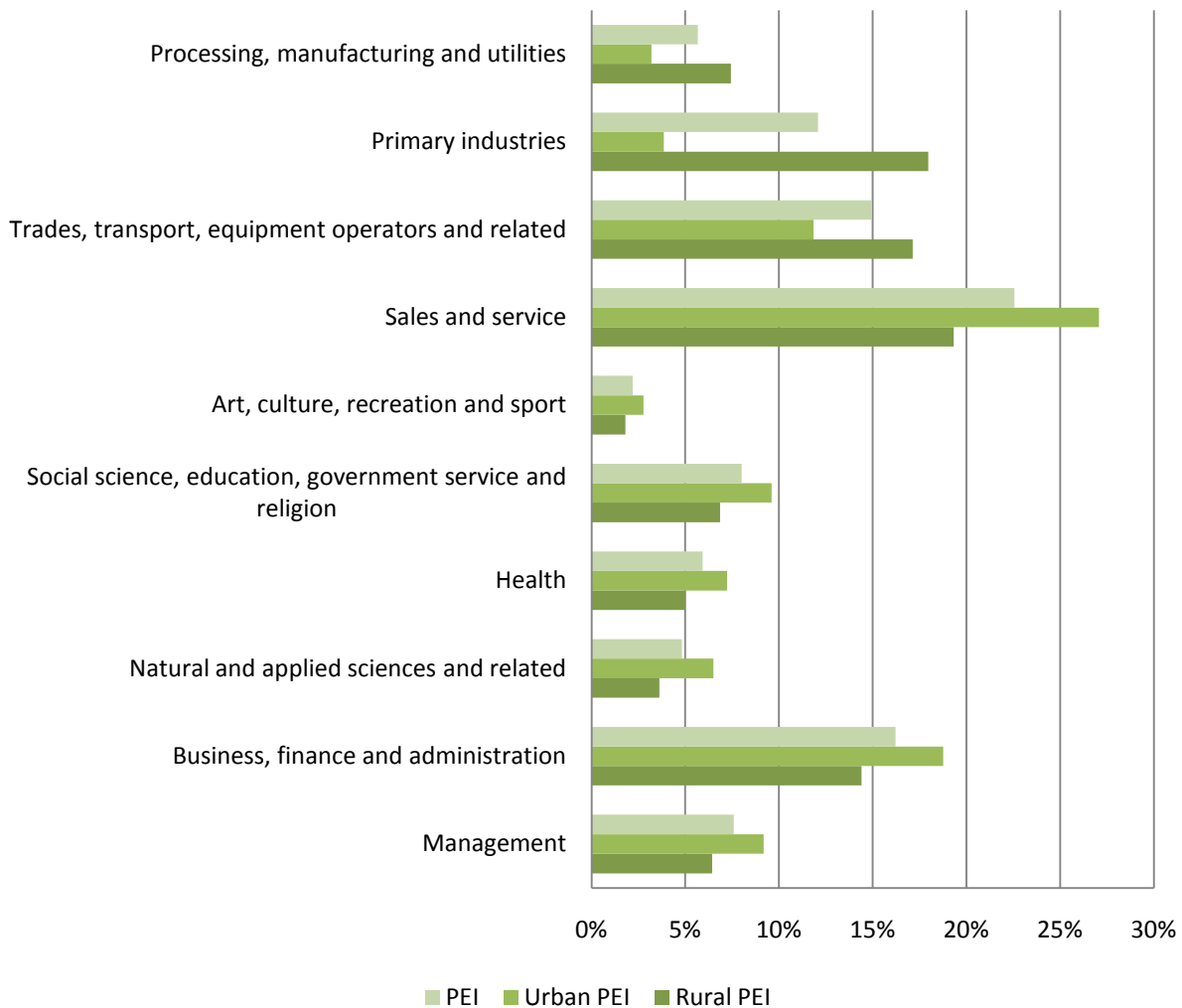


Source: Statistics Canada 1996-2006 Census Community Profiles



## 2.1.4 Labour Force Activity

Figure 6 – Occupations by Type for Rural, Urban and PEI, 2006



Source: Statistics Canada 2006 Census Community Profiles

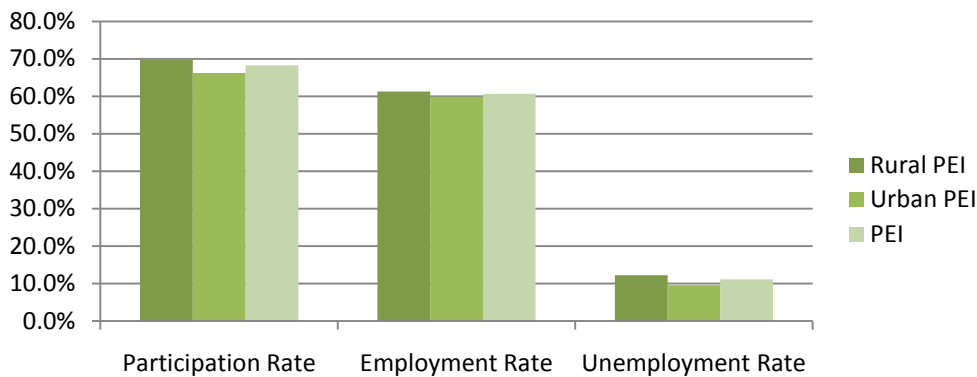
Nineteen percent (19%) of the rural population is employed in occupations in sales and service, 18% in primary industries and 17% in trades, transport, equipment operators and related occupations. In the urban population 27% are employed in sales and service, 19% in business, finance and administration and 12% in trades, transport, equipment operators and related occupations. The lower percentage of the rural population employed in areas such as government service, health, business, finance and



administration, and management occupations compared to percentages in Urban PEI results in lower average wages in Rural PEI as wage levels tend to be higher in these occupations.

Participation rate refers to the percentage of the total population 15 years and over who are in the labour force. Employment rate refers to the percentage of the total population 15 years and over who are employed. Unemployment rate refers to the percentage of labour force participants who are unemployed. Labour force participants do not include seasonal workers in the 'off' season who were not looking for work, students, homemakers, retired workers and persons who could not work because of a long-term illness or disability. Unemployed does not include individuals who were not actively looking for paid work.

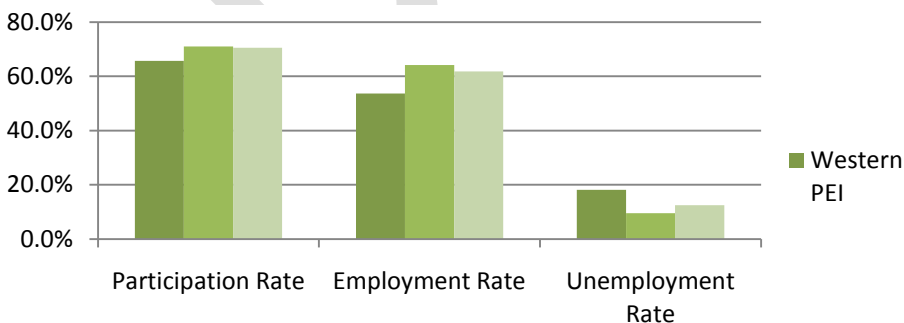
**Figure 7 – Labour Force Activity in Rural, Urban and PEI, 2006**



Source: Statistics Canada 2006 Census Community Profiles

The participation rate in Rural PEI (69.8%) is slightly higher than in Urban PEI (66.3%). The employment rate in Rural PEI is 61.2%. In Urban PEI it drops to 59.9%. The unemployment rate in Rural PEI (12.2%) is almost 3% higher than in Urban PEI (9.6%).

**Figure 8 – Labour Force Activity in Western, Central and Eastern PEI, 2006**

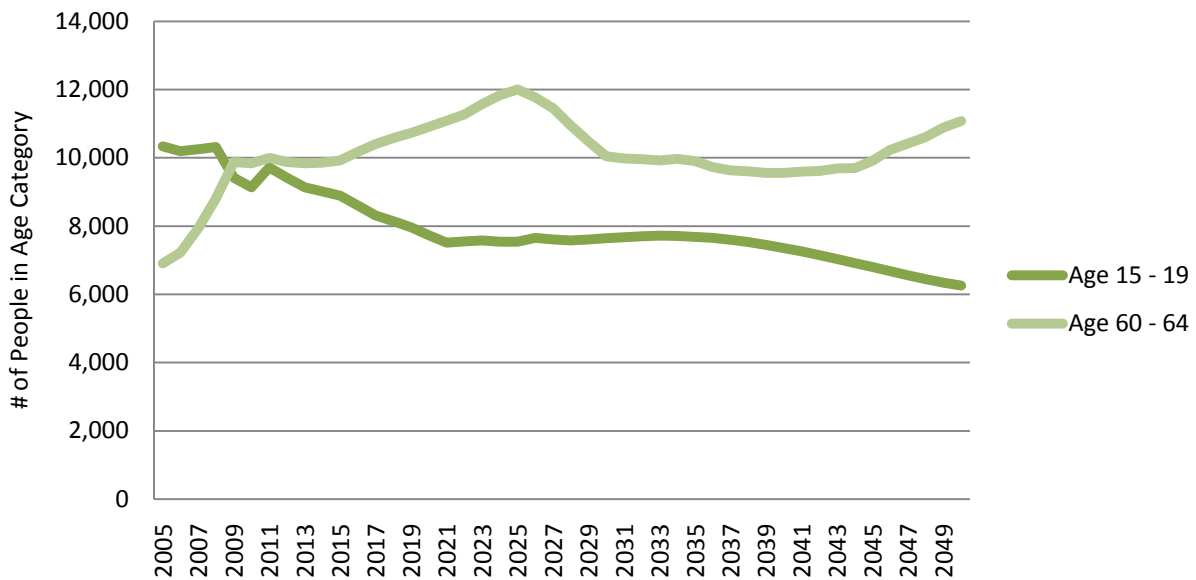


Source: Statistics Canada 2006 Census Community Profiles



The participation rate is highest in Central PEI (71%), followed closely by the Eastern Region (70.5%), with the Western Region having the lowest participation rate at 65.7%. The employment rate is also highest in the Central Region (64.2%), followed by the Eastern Region (61.8%) and the Western Region (53.7%). The highest unemployment rate is 18.2% in the Western Region, followed by 12.5% in the Eastern Region and 9.5% in the Central Region. The Central Region has a higher participation rate, higher employment rate and lower unemployment rate than Urban PEI or the province as a whole.

**Figure 9 – Number of PEI Labour Force Entrants and Retirees 2005-2050**



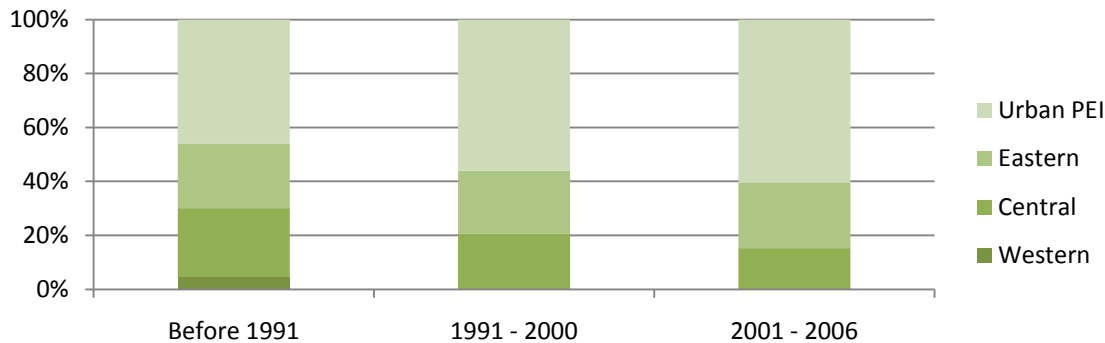
Source: Province of Prince Edward Island

Until 2008 the population cohort age 15-19 exceeded the age 60-64 cohort, in other words the number of new entrants to the labour force exceeded those retiring from the workforce, however by 2011 it is projected that the retirees from the labour force will exceed the number of new entrants and that this gap will increasingly widen until 2025.



## 2.1.5 Immigration and Migration

Figure 10 – Immigration to Western, Eastern, Central and Urban PEI as a Percentage of Total Immigration to PEI



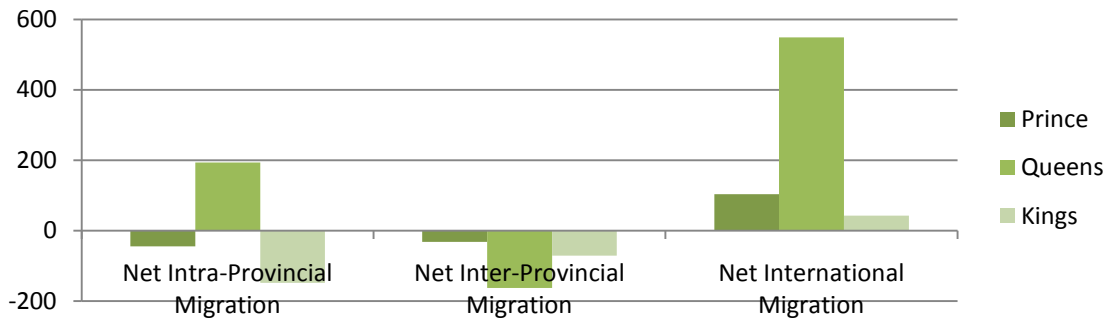
Source: Statistics Canada 2006 Census Community Profiles

The percentage of new immigrants to PEI locating in urban areas has steadily increased after 1991. Before 1991 45.4% of immigrants were locating in urban areas. In the period 2001 to 2006 69.6% of immigrants located in urban areas. Prior to 1991 4.5% of immigrants located in the Western Region; since 1991 immigrants locating in the Western Region is less than 1%. The only rural region with an increase in the percentage of immigrants to PEI is the Eastern Region. From 2001 to 2006 28.1% of immigrants to PEI located in the Eastern Region. Before 1991 the Eastern Region attracted 23.7% of the PEI immigrants. The Central Region before 1991 had 25.2% of the immigrants to PEI settling in that region. This has steadily declined to 20.3% from 1991 to 2000 and further still to 17.5% in the period 2001 to 2006. This declining ability to attract immigrants in the rural areas of the province presents additional challenges in maintaining and growing the population in Rural PEI.

Figures 11 to 13 are based on the county divisions of Prince, Queens and Kings as data was not readily available at the community level to allow for presentation by the regions of Western, Central and Eastern. Net inter-provincial migration refers to the net number of individuals leaving, for example Queens County for another province or coming to Queens County from another province. Net intra-provincial migration refers to the net number of individuals leaving, for example Prince County for Queens County or coming to Prince County from Queens County. Net international migration refers to the net number of individuals leaving, for example Kings County to move outside Canada or moving to Kings County from outside Canada.



**Figure 11 - Net Migration by Type for Prince, Queens, and Kings County, 2006**

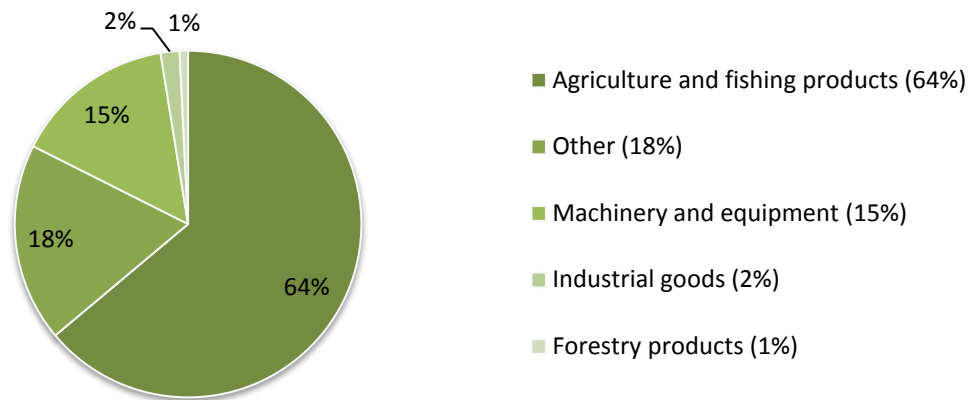


Source: Prince Edward Island Provincial Treasury Publication, 34<sup>th</sup> Annual Statistical Review 2007

During the period July 1, 2005 to June 30, 2006, a net of 193 individuals relocated from Prince and Kings County and moved to Queens County. Also in 2006 a net of 266 individuals relocated from all three counties to other provinces in Canada. On a positive note for population growth, a net of 695 individuals moved into PEI from outside of Canada. Seventy-nine (79%) located in Queens County.

### 2.1.6 Economic Activity

**Figure 12 –Breakdown of PEI Exports by Sector, \$802.8 million in 2007**



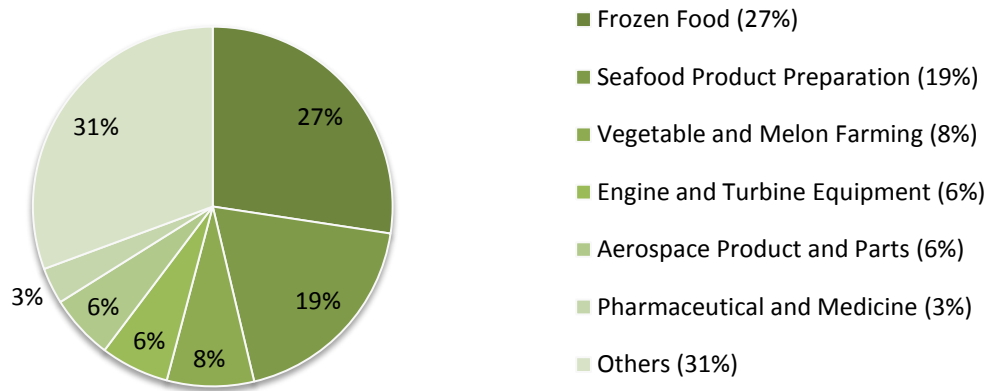
Due to rounding, pie charts may not add to 100.

Source: Prince Edward Island Provincial Treasury Publication, 34<sup>th</sup> Annual Statistical Review 2007

According to Industry Canada, the total value of exported goods fell slightly from \$838 million in 2006 to \$802.8 million in 2007, a decrease of 4.2%. Exports of agriculture and fishing products made up 64% of all international exports of goods in 2007. In 2006 they represented 62% of exported goods.

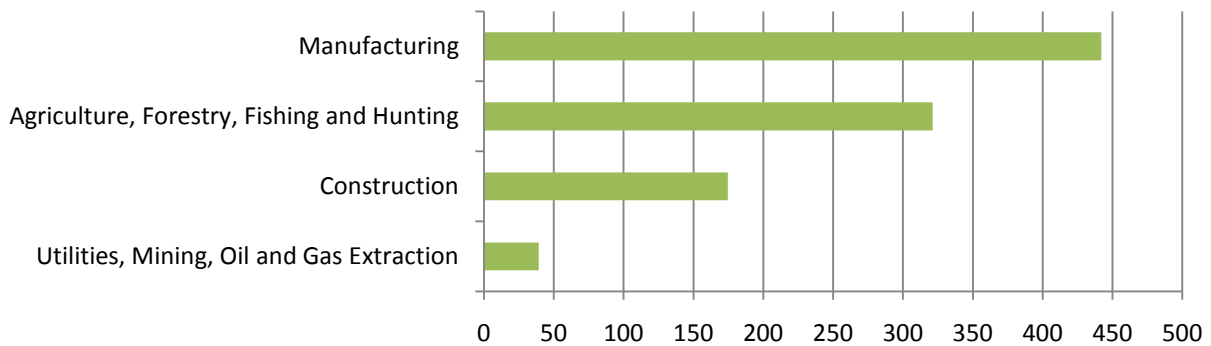


**Figure 13 –Breakdown of PEI Exports by Product, \$802.8 million in 2007**



Source: Prince Edward Island Provincial Treasury Publication, 34<sup>th</sup> Annual Statistical Review 2007

**Figure 14 – Provincial Gross Domestic Product (in millions) by Goods Producing Industries, 2007**

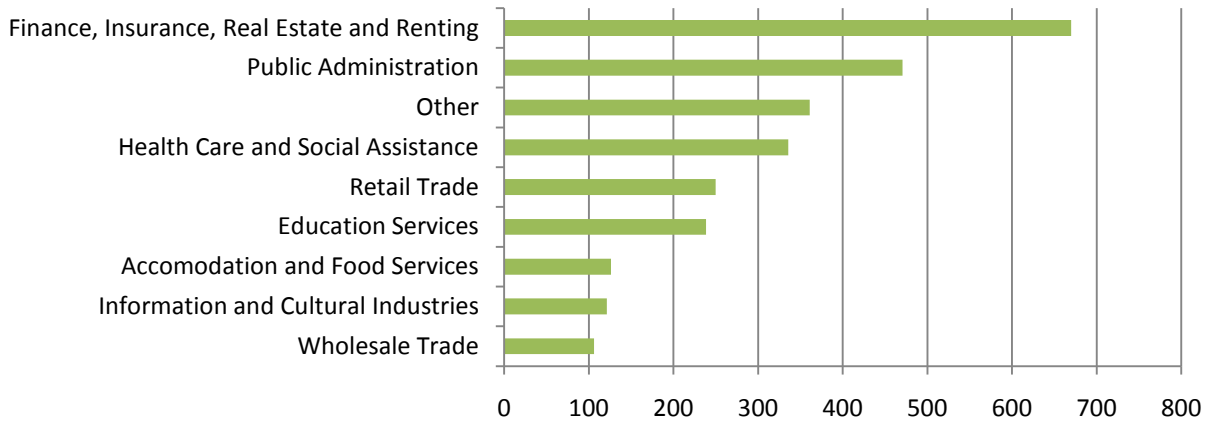


Source: Prince Edward Island Provincial Treasury Publication, 34<sup>th</sup> Annual Statistical Review 2007

The goods producing industries accounted for 25.6% of the provincial gross domestic product in 2007 with manufacturing being the largest component. Manufacturing includes food manufacturing, seafood product preparation and packaging, machinery manufacturing, and aerospace product and parts manufacturing. The contribution of manufacturing to provincial gross domestic product has grown by 18.3% since 2002 while the contribution of agriculture, forestry, fishing and hunting has declined by 1.5%.



**Figure 15 - Provincial Gross Domestic Product (in millions) by Services Providing Industries, 2006**



Source: Prince Edward Island Provincial Treasury Publication, 34<sup>th</sup> Annual Statistical Review 2007

The services-providing industries contributed 74.6% of the provincial gross domestic product in 2007. Finance, insurance, real estate and renting is the largest contributor, however this sector has only grown by 1.5% since 2002. Education has grown by 14.2%, Health Care and Social Assistance by 13.2% and Public Administration by 7% since 2002.

## 2.2 Current Initiatives in Rural PEI

Throughout our province’s history, our wealth and economic prowess has been generated from the natural resources of our land and the water around us. The continued growth and expansion of our economy will require us to embrace new global economic realities and challenges, as well as incorporate new technologies which can add value to our past practices and successes. We must also continue to embrace our most valuable resource – our people.

Prince Edward Island has long benefited from a vast number of programs and initiatives directed at rural economic development. The completion of the railway was more than a catalyst for Confederation. It connected the rural economy to the rest of the province and the country. The engines driving the PEI economy then and now were largely rural based, specifically agriculture, fisheries and tourism.

The Comprehensive Development Plan of the 1970’s and 1980’s was, in its essence, a rural economic development plan. The word comprehensive is worth note as it underlines the need to look beyond single issues and single changes. It demonstrates the cause and effect of economic development. The expanding or contracting of one business or industry has an impact beyond those boundaries. In the end, Prince Edward Island is one community and what we do in one community can impact our neighbours, our economy and our way of life.



## **2.2.1 Federal Support for Rural Economic Development**

The federal government has supported rural development since the time of Confederation. Today the support for rural economic development in PEI is still strong.

### ***2.2.1.1 Atlantic Canada Opportunities Agency***

Atlantic Canada Opportunities Agency (ACOA) has supported rural development of PEI since its inception in 1987. ACOA understands that rural communities are an essential part of the fabric of Atlantic Canada. Every rural economic success story adds stability to the community as a whole. ACOA currently offers several funds to assist in rural economic development. The best example is the Innovative Communities Fund (ICF). The ICF invests in strategic projects that build the economies of Atlantic Canada's communities. Eligible recipients include non-commercial/not-for-profit organizations such as local development associations, municipalities and their agencies, business or technology institutes, industry/sector associations, economic development associations, local co-operatives, universities and educational institutions. Most areas of Rural PEI have benefitted from the ICF over the past few years. ACOA is an important vehicle to deliver programs and funding from other federal government departments directly to the projects and industries that are receiving the support. Departments such as Fisheries and Oceans, Infrastructure, Industry Canada and Human Resources Development Canada have all worked closely with ACOA to ensure the delivery of programs and funding to projects in the Atlantic region.

ACOA's Atlantic Innovation Fund (AIF) has been one of the most innovative and vital funds developed in recent years. By encouraging the commercialization of research in Atlantic Canada, this fund has been a key economic driver for many Atlantic Canadian businesses, universities and research institutions.

The AIF has enhanced Atlantic Canada's reputation for innovation through its many project successes. While many companies and institutions who receive support from AIF are located in larger centres, much of the research that has potential to compliment rural economic development for years to come. One example of a rural based AIF participant is Aqua Bounty Canada Inc. in Fortune, PEI, which received \$2.87 Million support for the commercialization of their research in the aquaculture sector.

### ***2.2.1.2 Regional Economic Development Organizations***

There are four regional economic development agencies in the Province that work with communities and organizations in their respective areas with the aim of facilitating sustainable economic development activities in ways that support local communities and the rural economy of the Province. These economic development agencies; Resources West, Central Development Corporation, Active Communities and La Société de développement de la Baie acadienne (SDBA), are recognized and supported by the federal government as the official community economic development organizations in the rural part of the Province. In addition, the provincial government works with them on various projects in rural areas and communities. Not-for-profit groups in the rural areas often refer to the



Regional Economic Development Organizations to seek their assistance in putting together various kinds of development and infrastructure proposals.

### ***2.2.1.3 Build Canada Fund***

The Build Canada Fund (BCF) is the Government of Canada's new flagship infrastructure program. Investments made under the Build Canada Fund will help create local jobs and boost the rural economy. The priorities for funding under the BCF include highways; construction and re-construction, drinking water, wastewater, public transit, green energy, culture and recreation. As an example, residents of communities in Kensington and Kinkora will benefit from water and sewer replacements and extensions, as well as the installation of wind turbines, thanks to joint investments by the Federal, Provincial and Municipal Governments.

Funding for PEI projects is budgeted to be \$35 million. The program will operate through two components: The Major Infrastructure Component will target larger, strategic projects of national and regional significance. The Communities Component will focus on projects in communities with populations of less than 100,000 – helping these smaller communities face their unique challenges. The fund is cost-shared; the Government of Canada contributes, on average, one-third of the total eligible cost of each project while the provincial government and the municipality contribute the balance.

### ***2.2.1.4 Atlantic Gateway***

The Atlantic Gateway will focus much attention on developing the ports of Halifax and St. John but it will work with all four Atlantic Provinces to identify the obvious and unique ways that all of Atlantic Canada can benefit from a more connected and competitive integrated transportation network. Gateway projects on PEI could include road, port, airports and bridge construction. Unique ideas around training and research could also become gateway projects.

The Atlantic Gateway is a modern competitive and integrated air, rail, marine and road freight transportation network. It provides direct and reliable, access to and from the economic heartland of North America. Located in Canada's east coast provinces of Nova Scotia (NS), New Brunswick (NB), Prince Edward Island (PEI), and Newfoundland and Labrador (NL), the Atlantic Gateway includes: strategic, ice-free deep water ports ready to handle growing volumes from the world's largest ships, airports, intermodal facilities, border crossings and essential road, rail and marine infrastructure. The Atlantic Gateway offers connection to, and seamless integration with, Canada's other gateways, and transportation systems that reach across North America.

*Source: Atlantic Gateway Website*



### ***2.2.1.5 Department of Fisheries and Oceans***

Prince Edward Island falls within the Gulf Region of the Department of Fisheries and Oceans (DFO). DFO may be best known for their work in small craft harbours. Over the past ten years DFO has assisted in establishing Harbour Authorities to help run its harbours. DFO still owns the facilities and remains a key player in undertaking major construction, dredging work, providing engineering support, business planning and legal or environmental advice. This loose partnership arrangement enables the Harbour Authorities to determine the level of service they need to provide to their users, and to develop their harbour to satisfy the needs of the industry and the community. DFO, for its part, ensures that the public interest is well served and applicable legislation is followed. Prince Edward Island has 42 Harbour Authorities managing 47 small craft harbours.

### ***2.2.1.6 Agriculture and Agri-Food Canada***

Agriculture and Agri-Food Canada provides information, research and technology, and policies and programs to achieve food security and a healthy environment to encourage innovation and promote industry growth. “Growing Forward” is a new commitment to Canada's agriculture sector and will deliver programs that are simpler, more effective and tailored to local needs. Governments are investing \$1.3 billion over five years in Growing Forward programs and will be cost-shared between the Government of Canada and provincial and territorial governments on a 60:40 basis. Growing Forward places increased emphasis on building a profitable sector through more investment in innovation, action on key regulatory priorities, environment and food safety programs, providing programs that better meet local needs and measures that enable farmers to be proactive in managing risk when faced with disasters.

### ***2.2.1.7 Acadian Initiatives***

The Acadian and Francophone communities of Prince Edward Island are at the forefront of a rural cultural preservation that is leading to economic growth in their small communities. A growth sector in the tourism industry continues to be cultural destination tourism opportunities and the Francophone communities of PEI continue to lead the way.

Recently, further enhancements to Centre Goéland were celebrated thanks to more than \$90,000 in Federal funding for facility improvements. Changes will involve the removal of an old lodge and the construction of a new structure, which will improve the appearance of the existing event facility, as well as the Centre's operations. Projects such as Centre Goéland continue to drive a sustainable tourism industry in the Evangeline region. This project was made available through funding of many Federal/Provincial agencies, including Innovative Communities Fund administered by the ACOA and the Canada/Prince Edward Island Labour Market Development Agreement, co-managed by Service Canada with the Provincial Department of Innovation and Advanced Learning.



### **2.2.1.8 Other Current Federally Funded Initiatives**

#### **Prince Edward Island 2009 Canada Summer Games**

The 2009 Canada Summer Games in Prince Edward Island brought tens of thousands of athletes and visitors to our Province in the summer of 2009. The 2009 Canada Summer Games was held at 30 venues across PEI with sixteen of those venues are in Rural PEI. The facilities left in those communities after the games will live on as a legacy for future generations.

#### **Horse Farming and Harness Racing**

Through a combined contribution of \$1.5 million from the Atlantic Canada Opportunities Agency and the Department of Human Resources and Skills Development a project is underway to revitalize the Summerside Raceway. While located in Summerside, this project as well as the recent renovations to the Red Shores Racetrack & Casino at Charlottetown Driving Park, have helped to sustain a rural agriculture industry comprised of standard bred horse farms, training centres and hundreds of spin-off businesses. These investments will not only benefit the harness racing industry, but the tourism industry as well as Prince Edward Island continues to pursue its place as the “Kentucky of Canada”.

For much of the past 100 years, Prince Edward Island has been at the forefront of success and growth for this key economic sector. Many of the sport’s top drivers, trainers, grooms and owners trace their beginnings back to our province. The events we continue to host and promote attract thousands of visitors to our province each year. This industry is largely rural based and provides jobs and opportunities throughout PEI.

## **2.2.2 Current Provincial Government Support for Rural Development**

### **2.2.2.1 Department of Fisheries, Aquaculture and Rural Development:**

The Province of Prince Edward Island has also taken the step of creating a provincial ministry that is dedicated to fisheries, aquaculture and Rural Development. Under rural development that department employs community development officers who work directly with communities and groups across the province to identify needs and priorities. The department offers volunteer training to community Development Lead Groups. The department is currently developing Rural Economic Development Strategy to be completed, early 2010.

#### **Rural Jobs Initiative**

This initiative provides assistance for workers in support of innovation, technological adaptation, sustainable diversification and the growth of employment in rural Prince Edward Island. The Rural Jobs Initiative will assist workers in transitioning from industries downsizing due to declining demand or loss of competitive position, as well as industries being impacted by the loss of skilled trades’ people.



The Rural Jobs Initiative will also assist non-governmental organizations that focus on rural community economic development and rural resources to strengthen planning capacity and enhance the focus on developing the rural economy. Eligibility Criteria: Businesses and qualified non-government organizations located in any of three regions of PEI outside of the Greater Charlottetown area (including Stratford and Cornwall) and the Urban Core of Summerside are eligible to apply to the Rural Jobs Initiative. Eligible non-profit incorporated organizations will include those that concentrate on rural resources and community economic development. These organizations may include: Community Business Development Corporations, Community Economic Development Agencies, Municipalities/Band Councils (or their development agency), and Sector/Natural resource enhancement associations. Eligible Activities: The Initiative will provide assistance in the form of wage subsidies to businesses for incremental hiring in support of the Initiative's objectives.

### **Rural Broadband**

PEI's prosperity strategy, *Island Prosperity – A Focus for Change*, calls for the acceleration of rural broadband services for all Islanders, connecting rural Prince Edward Island citizens, businesses and organizations with access to high speed internet services. The acquisition of these services critical to competing in a global market place could make it easier for businesses to remain, and be created in rural Prince Edward Island. Aliant has been engaged as the private sector partner in this project and will cover much of the infrastructure costs in expanding rural broadband. Implementation is underway with completion of rollout across Rural PEI expected to be completed by the end of 2009.

#### ***2.2.2.2 Department of Innovation and Advanced Learning***

### **Island Prosperity – A Focus for Change**

Potentially one of the provincial government's most ambitious economic development initiatives is the \$200 million *Island Prosperity Strategy*. It is a five year investment strategy with three key pillars aimed at growing PEI's strategic sectors; bioscience, aerospace, information technology, and renewable energy:

1. Investing in People (\$40 million).
2. Investing in Innovation (\$100 million).
3. Investing in Strategic Economic Infrastructure (\$60 million).

This strategy is committed to constructing a nationally-recognized BioCommons and Accelerator facility to house 2000 employees by engaging an information technology sector recognized for its innovative capacity, continued cultivation of our aerospace industry and increased emphasis on environmentally-friendly energy sources.



Though much of the economic activity created in this plan is expected to fall within the limits of PEI's two cities, there is an expectation that much of the benefits of this development will also benefit Rural PEI communities. Specifically the potential for rural business and bioscience to partner represents a real opportunity. Bioscience has the potential to help turn traditionally produced commodity crops into innovative, value-added products which should receive higher prices in the marketplace.

### **PEI Business Development Inc. (PEIBDI)**

With a mandate to provide leadership in the creation, implementation and support of business investment in PEI. Small business expansion has become an important part of the diversifying economy in Prince Edward Island. PEIBDI offers small business development programs and a wide variety of information that will assist business in Prince Edward Island. PEIBDI Client Services Division provides coordination and delivery of information and assistance such as counselling, financial assistance, business guidance and entrepreneur education.

### **Labour Market Development Agreement (LMDA)**

Recently the Province of PEI assumed authority of the LMDA. This Federal/Provincial agreement was previously administered by the federal government. With the change in delivery, the Province will be better positioned to target labour market development initiatives and will be better able to meet the ever-changing needs of the labour market. In addition the "Labour Market Agreement (LMA)" has also been signed and provides labour market programs to enhance the labour market participation of individuals (unemployed individuals who are not EI clients and low skilled employed individuals) by assisting them to prepare for entry to, or return to, employment or to otherwise obtain or keep employment or maintain skills for employment. Combined the LMDA and the LMA represent approximately \$30 million annually in transfers to the Province of PEI from the federal government and a major shift in how labour market services are delivered on PEI. As the Prince Edward Island economy continues to evolve and transition, so does the labour market and our approach to it. Our existing labour force competes on regional, national and at times international stage, which can create challenges for employers and employees.

### **Immigration**

Prince Edward Island has successfully bucked the trend of declining population largely through recent immigration initiatives. While other Atlantic provinces have seen varying rates of population decline, PEI has showed growth, albeit minimal.

While the province's population has seen modest growth, the population decline in Rural PEI continues to be a growing threat to our prosperity. There are examples which can be pointed to efforts to encourage new immigrants to locate in rural communities, but the growth in our population has been largely in our urban centers.



The province continues to promote immigration through the Population Secretariat, as well as the repatriation of Islanders who have left the province over the past number of years. Efforts are also underway to retain our current workforce through creative and innovative means.

Established in 2004, the Provincial Population Secretariat welcomes the cultural diversity of newcomers, assists in the healthy development of Island youth and always welcomes Islanders wishing to return home. The Population Secretariat is committed to population growth of 1.5% annually and recognizes the importance of an economically, socially and culturally-diverse Prince Edward Island.

### ***2.2.2.3 Department of Environment, Energy and Forestry***

#### **Wind Energy**

The Government of Prince Edward Island has committed to the development of 500 MW of wind generated power on PEI by 2013. Current wind energy projects are approaching a total combined wind generation of 150 MW. In December, 2008 the Department of Environment, Energy and Forestry announced that due to current global economic conditions the province would be waiting until 2009 to invite developers to bring forward proposals for development of energy projects using the Island's wind resources.

#### **Community Trust Fund**

Through this innovative fund, proceeds from provincially-owned wind farms will be invested into a trust for use by organizations and groups from regions where wind farms are located. This trust will support local community groups in areas such as youth, senior recreation, arts and culture. By using proceeds from green initiatives such as wind, communities will not only see environmental benefits but many economic and social benefits as well.

#### **Net Billing**

The province of PEI has announced net billing for hockey rinks willing to install renewable energy systems, mainly wind turbines, to offset escalating electricity bills. Institutions and community centre such as rinks are often the core gathering areas for rural and small communities. Finding ways to keep them financially sustainable through innovative and creative projects such as this will encourage people to remain in, or relocate to rural communities, which helps to fuel the PEI rural economic engine.

#### **Renewable Energy Initiatives**

For smaller renewable energy initiatives the province, through PEIBDI, will provide support through financial incentives to businesses supplying, developing or manufacturing renewable energy technology in PEI.

There are numerous business opportunities surrounding the generation of wind for Island and off-Island markets and those markets largely exist in the rural parts of the province.



## **Biomass and Biogas**

The Provincial Government in the “Prince Edward Island Energy Strategy – Securing Our Future: Energy Efficiency and Conservation” has identified as one of the required government actions - to review and improve codes and regulatory barriers to assist in the sustainable development of biomass fuel and biogas facilities in PEI. The government of PEI will be demonstrating biomass and biogas technology in public buildings across the Island and continue to encourage the installation of biomass heating systems in homes and businesses through loans and a provincial sales tax exemption on small-scale renewable energy equipment.

## **Public Transit**

The Province of Prince Edward Island in partnership with Trius Tours, a private sector company, is conducting a pilot project of offering public transit between Summerside and Charlottetown. This is yet another step in the growing demand and supply of public transit in Prince Edward Island. There remains a keen interest to explore an Island-wide public transit system to link rural communities, businesses and citizens with larger centers.

### ***2.2.2.4 Department of Tourism***

Several initiatives have been undertaken to bring more tourists to PEI and to encourage them to see more of the province. The construction and opening of the Confederation Bridge was a major draw for tourists a decade ago but many of our visitors are looking for new experiences to keep them coming back. As a result we have seen a proactive move to provide those experiences across PEI. Examples of this include the development of the Confederation Trail and events like the Tour De PEI, PEI Marathon, PEI Bluegrass Festival, Festival of Small Halls and a major outdoor music festival.

### ***2.2.2.5 Decentralization of Provincial Government Jobs***

The relocation of the Department of Fisheries, Aquaculture and Rural Development to Montague and the Department of Education and Early Childhood Development to Summerside show a desire to move jobs out of the capital city and into areas more likely to help support rural communities and rural development.

### ***2.2.2.6 First Nations (Mi'kmaq) Support for Rural Economic Development***

## **Prince Edward Island First Nations**

The Mi'kmaq Confederacy of Prince Edward Island (MCPEI), on behalf of Lennox Island First Nation and Abegweit First Nation is currently preparing to undertake six priority infrastructure projects with a combined cost of over \$13 million. These projects are located in Lennox Island, Scotchfort and Rocky point. These projects will have a positive impact on the reserves and the surrounding communities through economic spin offs. A recent study conducted for MCPEI showed that every dollar spent by the first nations on PEI has a multiplier of seven in the PEI economy. As a result this \$13 million



infrastructure plan is expected to result in \$91 million in economic activity in Prince Edward Island. The Mi'kmaq community in Prince Edward Island is an economic force and a community of untapped resources. One example is the difference in average age in the Mi'kmaq community compared to the overall Island population. The average age of the Mi'kmaq population is below the provincial average. As a result there exists an opportunity to use the youth of the Mi'kmaq population to help replace the aging population leaving the workforce.

### **Aboriginal entrepreneurs**

Aboriginal entrepreneurs make a unique and vital contribution to our regional economy and their communities. Aboriginal businesses contribute directly to their community's financial base and, as such, provide benefits for all residents. Aboriginal Business Services Network (ABSN) and Aboriginal Business Canada (ABC) are valuable resources for Aboriginal entrepreneurs by providing needed access to capital for business start ups and/or expansions, and also by mentoring prospective business owners and operators.

The Aboriginal economy provides many opportunities for broader economic growth and many First Nations Governments have begun exploring business partnerships with non-Aboriginal companies, individuals and groups with the desire to generate wealth to benefit Aboriginals living on and off reserve. Both Prince Edward Island First Nations are located in rural settings, further demonstrating the leading role they can play in the continued growth and expansion of our rural economy.

#### ***2.2.2.7 Holland College's Canada's Smartest Kitchen***

Holland College's Canada's Smartest Kitchen in partnership with Cavendish Farms Inc., is expected to provide new capacity for innovation in food product development. Holland College is the province's largest technical institution for advanced and higher learning with locations throughout the Island. The development of Canada's Smartest Kitchen, as well as other initiatives undertaken at the College, is emblematic of the College's vision to incorporate greater community and business partnerships.

### **2.3 SWOT Analysis – Rural PEI**

Secondary research was conducted through a literature review of reports previously conducted on Rural PEI to gather relevant data. This data has been summarized in previous sections and is analysed in this section as to the strengths, weaknesses, opportunities and strengths of Rural PEI. Our analysis follows in Figure 16.



Figure 16 - SWOT Analysis of Rural PEI



### 2.3.1 Strengths

Prince Edward Island has a long list of strengths that can be applied across the province and to all our rural communities.

**A Desire to Succeed:** There exists a general acceptance of the need for an economic development strategy with strong leadership and sufficient resources to complete the work. There has been considerable attention paid to the state of current and future rural economic development for Prince Edward Island. As stated in the Provincial Government’s Island Prosperity Strategy, “We are blessed with a hard working, energetic population which is intensely proud of our entire island community. We are surrounded by resources that much of the world can only envy.”

**A Strong Resource in its People:** It is often said the greatest Island resource has always been its people. Rural PEI enjoys a strong, loyal, able, accessible labour force.

**Experienced on the Land:** PEI has a small population with a high proportion of agricultural land and our nearby markets in excess of 20 million people. PEI has well trained and experienced people, and a sound agricultural infrastructure. Agriculture is the largest contributor to the Island economy and contributes much to the Island’s social fabric and agrarian culture. The direct impact of the agriculture



and agri-food sector towards GDP is 13% of \$560 million.<sup>1</sup> Potentially the most challenged industry in the province, agriculture has seen the transition from mixed farming to specialized farming and is now entering the next logical phase which will focus on innovation, sustainability and collaboration; traits that Islanders aspire and strive for.

**The University of Prince Edward Island and the Atlantic Veterinary College:** For 20 years AVC has been a source of expertise in the livestock sector. The AVC's research is world class and the level of engagement with industry has been very solid. UPEI continues to grow and expand, offering more undergraduate, graduate and doctoral studies every year. Both institutions add world class capacity to all sectors of the provincial and national economy.

**Holland College:** Holland College has been a great training partner for workforce development for a wide variety of industries that are either in the province or considering PEI for a place to invest and do business. Aerospace, wind energy, ICT and bioscience industries all depend on Holland College to provide skilled labour.

**Competitive Business Environment:** Prince Edward Island scores high on independent studies like those done by KPMG that ranks the best places to do business in Canada and internationally. Low tax rates, strong government support from all levels and stable work force are just some of the assets that make us a competitive place from which to do business.

### 2.3.2 Weaknesses

**Competitive Global Commodity Markets:** PEI producers and processors are poorly positioned to compete with large companies in the global commodity markets. Market options are consolidated to a few retailers. In addition, the cost of production on Prince Edward Island is higher than other jurisdictions because of energy costs, transportation costs, input sales taxes and availability of skilled labour.

**Inadequate Marketing Support:** Agriculture and fisheries marketing programs that were prominent a decade ago are no longer available to agriculture, agri-food or fisheries. The federal government's programs are not designed for the smaller scale of PEI producers. Markets need to be identified and then targeted with advertising, brand development and relationships. Government can play a bigger role in new market development.

**Stagnant Population Growth:** While PEI has shown better population growth and retention numbers than other Atlantic Provinces growth of the Rural PEI population remains stagnant. Recent immigration waves have resulted in most new immigrants moving into the two cities and primarily the Greater Charlottetown Area. This has done little for rural development although immigrants who came to

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<sup>1</sup> Growing the Island Way "The Next Chapter for the Agriculture and Agri-Food Economy of Prince Edward Island" Report of the Commission on the Future of Agriculture and Agri-Food on Prince Edward Island, January 2009.



Canada as immigrant investors have, through their investments in many rural businesses, contributed to Rural PEI and are now contributing to our overall diversity.

**Seasonal Economy:** Seasonal economy remains a constant in Rural PEI. Farming, fishing and tourism by nature are seasonal businesses. Efforts to extend season, diversify and expand value added processing have made some impact but the seasonal workforce remains the normal situation for many Islanders and that challenges many to remain in the rural workforce.

**Lack of Cooperation:** Economic development initiatives are not always as widely coordinated as they could be. Cooperating and collaboration are two of the keys to rural economic development success.

**Below Average Education and Literacy Levels:** There remains a below national average level of education in Rural PEI, including low literacy. This applies across all levels of educations. We have too many Islanders without a grade 12 education or strong literacy skills, but we also lack an adequate number of very highly educated individuals with Masters and PhD level education with extensive career experiences. We need to raise our levels of education across the board, not just at one end of the spectrum.

**High Level of Government Dependency:** A long history of government support has make looking for government funding and support for rural economic development the first stop and not the last stop for businesses and entrepreneurs looking to create economic opportunities.

**Lack of Private Investment:** There remains a need for more private sector investment dollars into rural economic development projects. The idea of venture capital funds, tax incentives and equity investment incentives were common in other rural economic development studies and documents. Over the past five years there has been little improvement in the area of venture capital on PEI. The current economic recession has not improved this problem and Rural PEI is not seen as an area to find opportunities by those living in the two provincial cities

**Limited Energy Transmission Capacity:** While construction and transmission costs are relatively low in PEI and we benefit from being close to large markets like New England, we currently have limited capacity to expand energy transmission both into or out off PEI. To increase wind energy generation to 500 MW would result in a current shortfall of 300 MW of transmission capacity between PEI and New Brunswick. Future energy generation must include a comprehensive energy grid strategy and infrastructure investment.

**Size:** International companies can be under-whelmed by the size of PEI, both its physical size and population base.

**Availability of labour:** Because of its seasonal nature and often lower wages, there are less people to work and less people willing to accept the work that is out there. Many processors are looking to automation to fill the gaps resulting from a shrinking workforce, and recruiting immigrant workers.



**Limited Transportation Alternatives and Higher Costs:** Almost all of the Islands goods and services are shipped by truck. The lack of rail service for shipping and receiving goods makes costs higher than New Brunswick. The construction of the Confederation Bridge has increased convenience and lowered shipping times to larger centres, but in terms of cost of use and weather related shut downs it can be viewed as a weakness when compared to other areas.

**Aging Population:** Until 2008 the population cohort age 15-19 exceeded the age 60-64 cohort, in other words the number of new entrants to the labour force exceeded those retiring from the workforce, however by 2011 it is projected that the retirees from the labour force will exceed the number of new entrants and that this gap will increasingly widen until 2025.

**High Unemployment:** The unemployment rate in Rural PEI (12.2%) is almost 3% higher than in Urban PEI (9.6%).

**Lack of Industry Diversification:** PEI's traditional model of economic development has produced relatively steady economic and employment growth; however this growth is founded on a small and narrow economic base that has slowed in recent years to below the national average.

**Out Migration of Youth:** In the current decade, out-migration of educated youth is accelerating. Interprovincial population flows are even higher than in past decades and are resulting in growing net losses of population from Prince Edward Island.

### 2.3.3 Opportunities

Rural Prince Edward Island, with the help of the strategies in this plan, champions, resources and cooperation, has an opportunity to become innovators in rural economic development thinking, strategies and tactics. Future expanded cooperation among the economic development efforts of the various organizations into a more cohesive sharing of resources and information can make PEI a leader and beacon for Canada in rural economic development.

**Niche Markets:** While sometimes considered too small, demanding and fickle, a niche market for a PEI product in Japan, China or Europe can be a bigger market than PEI can supply. A niche market is not won over by price alone, quality, safety and consistency can open up a niche market to the innovative producer or exporter. For example, high quality seed potato production is a niche market that remains important to the PEI potato industry.

**Organic Farming:** Organic farming is not farming the old way. It requires good science, innovation, technology and hard work like any farm. Organic farming has also proven to be a draw to bring new people into farming and a way to keep the next generation on the farm by making the transition to organics, which can be lucrative when done right.



**Population growth:** While we strive to increase our population the important lesson is to continue striving. We have outpaced Atlantic Canada and we can find the right mix of immigration, retention and repatriation that let's our population grow. Population growth will combat the problems of aging population and labour shortages. It can also bring much needed financial resources and work experience to our business and public sector.

**Buy Local:** Buy Local and Local Food campaigns have sprung up mostly thanks to consumer demands to know where their food is coming from and if it is safe. Environmental impact of shipping food thousands of miles is also a motivator for more shoppers. Recent economic downturns and the desire to support local businesses and local farmers is another contributing factor. The local food market is not sufficient to absorb all the food produced on PEI but the recent interest in buying local, if it continues, offers a strong local market, potential for more growth in value added and the organics markets. All totaled the local market can still only consume 7% to 9% of the food PEI produces. We are and will remain a food exporting province.

**Clean Renewable Energy:** Wind, solar, geothermal, biofuels and clean energy technology has exploded as a result of world energy prices and dwindling fossil fuel supply. The global multi-billion dollar industry offers opportunities to PEI. A Green Technology Cluster of interconnected companies, suppliers and associated institutions in green technology development is a real opportunity for Prince Edward Island. Prince Edward Island has the capacity, reputation and track record in renewable energy development to begin growing a Green Technology Cluster. As stated in the PEI Energy Strategy a PEI Green Technology Cluster could attract investment dollars, forge business relationships locally and internationally, encourage knowledge transfer and commercialization, create jobs and lead to export potential.

**Green Energy on Farms:** Farmers are well positioned to switch to more green energy solutions. Small scale wind turbines are well suited for farms looking to offset rising electricity costs through the installation of a small wind turbine in the 10kw range. Also the access to biomass fuels like straw on farms is another potential heat source for farmers, or another market for their crops.

**Fuel vs. Food:** Recent amendments to the Canadian Environmental Protection Act (Bill C-33) passed by Parliament will give the Government authority to develop regulations for renewable fuels mandating a 5 percent renewable content in gasoline by 2010 and 2 percent renewable content in diesel fuel and heating oil by 2012. The government argues the renewable fuels strategy will reduce greenhouse gas emissions by approximately 4 mega-tonnes per year. But some farmers, environmentalists and international development groups believe this will only add to the growing fuel vs. food crisis. Without taking sides on that debate the fact is that using food crops for fuel represents a change in agriculture and potential opportunity for rural development.

**Solar/Tidal, Wave Energy and Micro-Hydro:** Prince Edward Island has made great strides over the last decade in the area of green energy development, significantly growing the wind energy sector in the



province with multiple wind farm developments, upgrades to the local energy grid, related manufacturing and skills training. Similar opportunities exist on smaller scales in the areas of solar energy, wind-hydrogen and tidal/wave energy. Rural PEI's considerable land base and waterways along with its primary sectors provide opportunities to further develop these sectors. Along with primary economic spinoff benefits come secondary benefits such as greater local control of energy costs, increased innovation and economic diversification. Our experience in this area is not just recent. Prince Edward Island has a long history of innovative environmental initiatives. The Atlantic Wind Testing Station (AWTS) was formed in 1981 by the Institute and was designated the government of Canada's wind energy research station. Another famous venture, the Prince Edward Island Ark, was conceived in cooperation with the New England-based New Alchemy Institute. The Ark was an experimental building that was heated with passive solar and tested indoor agriculture.

**Displaced Workers from the West:** Over the last half decade a considerable number of Island workers migrated and commuted to the West for work in the energy sector boom, a high percentage of those from rural communities. As circumstances on the ground change due to current economic climate these workers are being laid off and are returning home. They provide an influx of new workers for the local rural economy and have acquired considerable skills and experience in construction, manufacturing, fabrication and energy sector which can be utilized here at home.

**Community Based Renewable Energy Projects:** Local ownership of community based energy projects has resulted in accelerated growth of renewable energy in other rural economies. Community sized renewable energy systems keep revenues in the community, is good for the environment and adds to regional sustainability. Local municipalities can benefit from the revenues created and the economic spin offs.

**Biomass:** 10% of the energy used in PEI is supplied by biomass, which includes fuel wood, sawmill residue and municipal waste. There are many biomass resources in PEI that, if developed properly, could contribute to the province's energy mix. Forestry and agriculture offer the most readily available sources for biofuels development. Markets for biomass systems include residential, commercial and institutional sectors. Supplying fuel for biomass fired district heating systems could provide long term employment for many rural islanders and strengthen the farming community.

**Land Leases:** The total land lease revenue associated with increasing wind capacity to 500 megawatts is projected to be approximately \$3.3 million per year. Much of these financial benefits will go to the Island farmers and rural communities.

**Craft Industry:** There are about 540 craft makers on PEI who sell products with an annual sales value of \$19.6 million. The majority of significant craft producers were dependent upon tourism for 90% of their sales. The most financially successful medium (45% reporting retail value over \$25,000 wholesale annually) is pottery, which also reports the highest levels of crafts school training and/or apprenticeship.



Almost half of craft producers work fulltime at their craft. Many who are working full time or part time have below average income for the amount of time that is going into craft production. One quarter of Island craft producers have at least one employee. Seventy percent of employees are seasonal. Craft production in the province is a “greying” industry. There are very few new entrants to the sector. There are very few young craft makers. The lack of a craft training facility in the province has created some major voids for the sector including a limitation of training options, a lack of new entrants, the loss of appropriate space, equipment and facilities for workshops and short-course training in new techniques and skills for upgrading existing producers. It is critical that strategies developed for addressing issues take into full account the uniqueness of the Island craft industry. The level of dependence upon a tourist market for sales is somewhat unique. Craft shopping has consistently been the second most popular visitor activity (surpassed only by sightseeing) on Prince Edward Island. Uniqueness, diversity, range and identity with place are all critical to maintaining and increasing the importance and value of crafts in the PEI rural economy.

### 2.3.4 Threats

**Agriculture’s Future:** Agriculture is in a critical situation. The Commission on the Future of Agriculture and Agri-Food on Prince Edward Island states in its opening letter to the Minister that “As a Commission, we cannot emphasize enough both the enormity of the challenge, and the absolute necessity of our success. The current path is not sustainable.” The Commission recommends the need for an attitudinal and cultural change.

**Global Agriculture Commodity Competition:** The transition in agriculture toward specialized farms, namely potato farming on Prince Edward Island, has left Island farmers to compete in a global commodity business from a small geography location. Growing global production levels and specialized corporate farming have proven it much more difficult for PEI agri-business to compete. Compared to the days of smaller mixed farms today’s farmers are finding it harder and harder to make their operations economically viable. Supply managed sectors are generally performing better than commodity sectors. The decline of entire industries like hog farms across the province have not only resulted in over 100 hog farms leaving the industry but the suppliers of goods and services to those farms are now without that market. The domino effect can continue to the point of weakening rural economies and at the very least causing job losses off the farm to result from the job losses on the farm. Future success in agriculture will require farmers to work more effectively with fellow producers, suppliers, processors, communities and government. The agriculture industry will need to continue to be more creative, knowledgeable, innovative, adaptive and resilient. These demands are not new for farmers.

**Lack of Young Farmers:** In general, young people are leaving farms for jobs in urban areas that offer better and more dependable income. In the 1970’s, one in seven island farmers was under 35 years of



age. Today it is less than one in ten and the trend is not expected to change soon. The group of farmers aged 55 and older is increasing rapidly.

**Ground Water:** As stated in the Report of the Commission on Nitrates in Groundwater, the nitrate concentration in private wells has increased steadily since 1984. In 2000, 3.5% of wells exceeded the 10 mg/L guidelines. In 2007 that number has increased to 6% of private wells exceeding the 10 mg/L guidelines. While home water filters can help reduce the concern over high nitrate levels you cannot filter a river system or a watershed. There is no consensus about the health risks associated with nitrate intake. More research is needed on the role of nitrates as a risk factor for cancer and other illnesses. High nitrate levels in rivers, streams and estuaries can directly harm aquatic life through the abundant growth of plants such as algae which leads to a decline in water quality. This can result in economic, environmental and social costs. The commission has made 30 recommendations on nitrate levels and identified six of those as absolutely essential. Those essential recommendations include improving public education on protecting water quality, reducing nutrient loading from sewage treatment systems, supporting water-based water management planning, implementing mandatory three year crop rotation, matching nutrients with crop needs to reduce nitrogen leaching and identifying high nitrate areas.

**Rising Oil Costs:** The need to move away from dependency on traditional fossil fuels is made more and clearer with every one cent increase in the cost of oil. While currently not at record high costs the volatility in price and our complete inability to control this global commodity puts all households and businesses at risk of energy price shocks and steadily rising costs.

**Lobster Fishery:** According to the “Framework And Assessment For Lobster In The Southern Gulf Of St. Lawrence Lobster Fishing Areas 23, 24, 25, 26a And 26b”, lobster remains abundant based on landings for legal size lobster from all LFAs except 25, are close to or above the long-term median. Landings in the central Northumberland Strait (southern half of 25 and western half of 26A) are below the long-term median. The result is that today North Shore lobster fishers are seeing an average to above average catch while the South Shore has seen a consistent below average catch. Fishing pressure indicators show that most of the catches consist of “new recruits” or lobsters growing to commercial sizes and entering the fishery for the first time. There is further evidence that the fishing pressure is too high based on estimates that 50% of traps are empty over the fishing season.<sup>2</sup>

**Climate Change:** Global environmental changes are a mounting threat to the health of our planet and our province. Sea level rise poses a direct threat to our coastline. Climate change poses a threat to our crops. Changes in temperatures on the land and in the waters will affect our primary industries in ways we do not yet completely know.

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<sup>2</sup>Canadian Science Advisory Secretariat Science Advisory Report 2007/035



**Rising Costs:** While rising costs are not new they remain a threat to our rural economy, especially when many of the fastest rising costs are on essential goods or services and not on discretionary items. For example personal income taxes are 1% higher than NB, corporate income taxes are higher, transportation costs are higher, power rates are higher, cost of waste disposal is higher, land transfer tax has to be paid when land is purchased, workers compensation benefits rate are higher but the threshold is lower.

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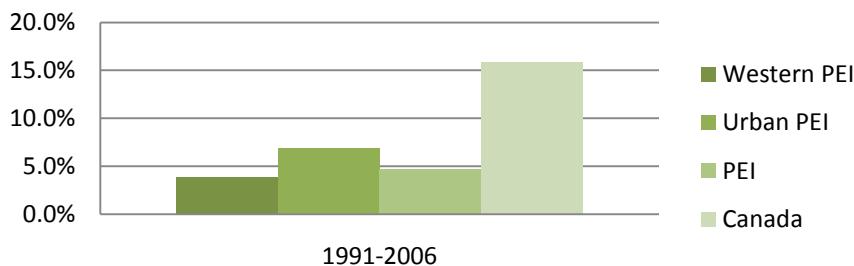


### 3.0 WESTERN REGION

The designation Western PEI corresponds with the area which Resources West Inc. is responsible for. For Western PEI, population data for the City of Summerside, Lots 14 to 17, and Lots 18, 19, 25 to 28, have been excluded from Prince County<sup>3</sup> population numbers. Population numbers excluded or included for particular lots also include cities, towns and villages which form census units within those lots. Urban PEI includes the Cities of Charlottetown and Summerside and the Towns of Cornwall and Stratford.

### 3.1 Population

Figure 17 – Percentage Changes in Population, 1991-2006: Western PEI, Urban PEI, PEI and Canada.



Source: Statistics Canada 2006 Census Community Profiles

As shown in Figure 17 Western PEI’s population increased only 3.9% to 19,963 during the 15 year period from 1991 to 2006 while PEI as a whole experienced a 4.7% increase and Canada experienced a 15.8% increase during that time period. During the same time period Urban PEI’s population grew by 6.9%. Since 1901 West Prince has experienced a population decline of 13.2%.

### 3.2 Current Initiatives

Resources West is a community based regional economic development agency based in Alberton, PEI. The organization was established to actively promote and foster sustainable growth, economic prosperity and development in Western PEI. In order to complete its mission, Resources West is involved in entrepreneurial development and training, community planning and support, project management, business consultation and support, research and development. The board of directors represents the five community development areas of Tyne Valley, Tignish, St-Louis-Miminegash, Alberton and O’Leary.

Since 2005 the agency has been involved in the creation and now execution of a strategic plan for economic development in the region. The strategic plan entitled *Transitioning Toward a Sustainable Economy 2005-2009* was created by Moncton based consultants, ShiftCentral. The strategy placed a

<sup>3</sup> 34<sup>th</sup> Annual Statistical Review 2007; Provincial Treasury of PEI, Table 9B



high level of importance on the need to achieve strong population and economic growth. The focus on population growth is unique to West Prince as other strategic plans across the province have placed less emphasis on this element of economic development.

### **3.2.1 Retirement Population Growth Strategy**

The main idea around the population growth strategy was to focus on growing the retirement population. By promoting West Prince as a great place to retire the strategy set a goal of increasing the population of Alberton from 4,000 to 20,000 people by 2025. This is known as the Alberton Project.

Resources West has created a population strategy focused on retirement in the region entitled *Towards a Regional Population Strategy for West Prince County*, completed in June 2006 by Kenneth DesRoches and Ronald Smith. The population strategy research identified some important information for all Island communities that may consider promoting themselves as a retirement community. The research respondents had clear ideas about what services and facilities are important to them respecting their decision on relocating for their retirement years. Health care services, a hospital, pharmacies, banks, churches, shopping and restaurants were the most important services in the minds of these respondents. Recreational and cultural activities that ranked highest included beaches, exercise facilities, library, hiking, fishing, organized recreation, golf and swimming.

### **3.2.2 Aerospace**

One of Prince Edward Island's fastest growing economic sectors continues to be aerospace. This sector offers one of the best examples of an ongoing initiative in economic development. The creation of Slemon Park Corporation was undertaken following the closure of Canadian Forces Base Summerside. Often through difficulty there arises opportunity. This has been the case in Summerside. The community pursued an alternative economic driver by leveraging infrastructure funding, tax incentives, employment programs and other incentives to pursue and create a new industry for PEI. The result is over 1,100 jobs have been created in the aerospace sector and a growing number of those jobs are being located in rural settings, such as Bloomfield, PEI.

Slemon Park and the Aerospace companies in this park have continued to evolve, expand and innovate. Currently Holland College is offering training at Slemon Park in a number of programs including police training and a new wind energy technician program in response to the growing wind energy industry in PEI, especially West Prince.

### **3.2.3 Coastal Drive**

In 2004 the redevelopment and rebranding of the coastal scenic drives began in Prince County. Then the Lady Slipper Drive was a mature product and research provided little if any increased economic activity for the local tourism industry. By redefining and rebranding the scenic drives, putting greater focus on the majestic vistas throughout PEI as well as to emphasize the growing arts, crafts and cultural



destination opportunities available, the province has been successful in directing visitors to enjoy our coastal drives.

### 3.2.4 Priority Sectors

Prince County Priority Sectors as identified by ShiftCentral's report *Transitioning Toward a Sustainable Economy 2006-2010*:

- **Energy:** West Prince is ideally positioned to leverage the province's strategy to develop the renewable energy industry.
- **Manufacturing:** Manufacturing is becoming a vital component of the West Prince economy. Four sectors have significant potential for growth: wind energy-related, aerospace/transportation, agri-food (including fish) and wood products.
- **Tourism:** The tourism sector is an important economic driver in West Prince and the local stakeholders agree there is more room for growth. Tourism infrastructure benefits the quality of life for local residents as well.
- **Transportation:** The North American transportation sector will require an estimated 240,000 truckers in the next decade offering salaries of up to \$90,000/year. These individuals can be based anywhere. There are an increasing number of truckers in West Prince already. There were 125 more truckers based in rural Prince County in 2001 than in 1991 – a 35% increase.
- **ICT (Information & Communications Technologies):** The province has made this sector a key priority area for growth and funding support. In addition, it is expected that hundreds of thousands of new ICT jobs will be created in Canada over the next ten years. The new wireless broadband network means that these jobs could be located in West Prince.
- **Retirement Living:** It is estimated that some 400,000 people retire in Canada each year and that will rise to almost 700,000 by 2009. This has given rise to retirement community initiatives all over Canada. West Prince has many of the intrinsic elements needed for a successful Retirement Community program
- **Agriculture:** This sector will remain one of West Prince's most important economic drivers well into the future. Additional economic activity can be had in this sector by increasing value added activities.
- **Fisheries:** This sector is also a very important driver of the West Prince economy and will continue to be into the future.

### 3.3 Western Region SWOT Analysis

Secondary research was conducted through a literature review of reports previously conducted on Rural PEI and Western PEI to gather relevant data. This data has been summarized in previous sections and is analysed in this section as to the strengths, weaknesses, opportunities and strengths of Western PEI. Our analysis follows in Figure 18.



Figure 18 - SWOT Analysis of Western Region of PEI

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>• Experience with Cooperatives</li> <li>• A strong land base</li> <li>• Political power</li> <li>• WEICan</li> <li>• Availability of commercial space</li> <li>• Willing workforce</li> <li>• Region has the desire to improve</li> </ul>	<ul style="list-style-type: none"> <li>• Negative population growth</li> <li>• Reliance on primary industries</li> <li>• Lack of professional education and training opportunities in the Region</li> <li>• Lack of dedicated resources at the government level promoting /prospecting opportunities for the Region</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperatives</li> <li>• Wind Energy</li> <li>• Place to retire</li> </ul>	<ul style="list-style-type: none"> <li>• Higher personal income taxes</li> <li>• Higher corporate income taxes</li> <li>• Transportation costs</li> <li>• Higher power rates</li> <li>• Higher cost of waste disposal</li> <li>• Land transfer tax applied on purchase of land for new businesses</li> </ul>

### 3.3.1 Strengths

**Experience with Cooperatives:** A long and strong history of cooperation best expressed through the coop movement that touches most of the main communities from Miscouche to Tignish. From the first fisherman’s cooperative in Canada to the modern Coop Stores and Credit Unions, this type of cooperation has proven to be a great model for successful rural development. This type of cooperation could help build a more sustainable rural economy.

**A Strong Land Base:** There are a lot of development initiatives that can not be implemented in or near a city. Agriculture, forestry and wind energy are three good examples: The current 150 MW of wind energy currently produced in PEI is produced in Rural PEI. The upper estimates of where PEI might get to in wind energy-2000 MW, are only possible as a result of the strong land base we have. The wind regime, soil and climate are strong factors that support rural development initiatives and rural businesses.

**Political Power:** The Western Region currently benefits from strong political representation including an MP in the Federal Cabinet in a senior portfolio and strong representation in the provincial government including one cabinet minister. These two levels of government have demonstrated a willingness and ability to work together on a number of rural economic development projects.

**WEICan:** The establishment of the Atlantic Wind Test Site Inc. back in 1980 has increased tourism opportunities for West Prince. Furthermore, the Wind Energy Institute of Canada has now been established to support the development of wind power generation in Canada and wind energy related products and services for Canadian and export markets. This rustic area has recently been developing and now features the North Cape lighthouse, Canada’s longest Natural Rock Reef, the Black Marsh



Nature Trail, and the North Cape Complex. The Complex houses an Interpretive Centre, Marine Aquarium, gift shop, and the famous Wind and Reef Restaurant. These new tourism opportunities were facilitated by the work of the West Prince Tourism Association to change the scenic route to the North Cape Coastal Drive.

**Availability of Commercial Space:** Bloomfield offers some existing commercial space currently. This space is well constructed and adaptable to a number of different types of use and employment opportunities.

**Willing Workforce:** Traditionally there has been limited worker mobility in the area, however the Western PEI Labour Market Study, July 2009 indicates an increased worker readiness to relocate to employment outside Western PEI or in other provinces.

**A Desire to Improve:** According to the Western PEI Labour Market Study, July 2009 there is a broad trend of rising educational attainment among younger age groups and a strong interest among workers in ongoing training. Additionally, 77% of those who worked less than a full year in 2008 were 'very interested' in working for the full year if work was available at the same rate of pay.

### 3.3.2 Weaknesses

**Negative Population Growth:** Population is in decline and aging. As shown in Figure 1 Western PEI's population increased only 3.9% to 19,963 during the 15 year period from 1991 to 2006 while PEI as a whole experienced a 4.7% increase during that time period. During the same time period Urban PEI's population grew by 6.9%. Since 1901 West Prince has experienced a population decline of 13.2%.

**Reliance on Primary Industries:** The primary industries of fishing, farming and tourism continue to be major employers and economic engines for the region. The result is that the overall health of the region's economy ebbs and flows with the cycles of these traditional industries. Expansions into aerospace and wind energy have helped to curb this coming and going of good economic times but the effects are still felt when a crop or catch is low or poorly priced.

**Lack of Professional Education and Training Opportunities in the Region:** There is less of an incentive in the Region for professional education and training to be undertaken given the necessity to relocate during the period of study or experience a lengthy daily commute.

**Lack of Dedicated Resources at the Government Level Promoting /Prospecting Opportunities for the Region:** The Region feels that the playing field is not always level for attracting new business opportunities for the area; given most government resources devoted to business prospecting are located in Charlottetown.



### 3.3.3 Opportunities

**Cooperatives:** Primary producers are faced with the challenge of satisfying the need of retailers for predictable supplies of goods. When producers work together locally and regionally to assemble sufficient products on a predictable basis in a cooperative they can be an effective means of consolidating marketing and sales resources for some products. The larger the cooperative, the stronger the offering to the buyer. The PEI Blueberry Growers Cooperative is a prime example of small producers working together to compete at a level well above their individual strengths.

**Wind Energy:** There is an opportunity to use current research and development in wind energy to develop an international wind energy cluster. A potential step in that direction would be the creation of an international wind or alternative energy conference.

**Place to Retire:** An example given is “The Alberton Project” designed to promote the area as a place to retire, with a goal of increasing the population of 4,000 to 20,000 by 2025. The goal is to attract islanders living away to return to PEI for retirement and to live in Alberton... a main selling point is the access to water front property. A key assumption of this strategy is that the return migration of previous island residents is one of the best sources of people to grow the population in the area. In 2006, 351 islanders away were contacted to participate in a survey regarding this population strategy (see *Toward a Regional Population Strategy for West Prince County*). Twenty-five percent (25%) of the people contacted in that study reported plans to retire back to PEI with a larger percentage of the remainder willing to consider PEI as a retirement location. This provides a significant population growth source. One important key to making western PEI a retirement destination is the existing demographic of visitors. According to the report on redevelopment and rebranding of coastal scenic drive, the average visitor to West Prince is over the age of 50, has a household income of \$60K plus, is likely college educated and visits during the summer months. This is a great target market for selling the idea of retirement. The idea of growing the population with a retirement community must also be balanced with the costs associated with health care for an aging population.

### 3.3.4 Threats

Some threats to rural economic development in Western Region and any other rural region in PEI are:

- Personal income taxes are 1% higher than NB
- Corporate income taxes are higher
- Transportation costs – the bridge, no rail, and longer distances to markets.
- Power rates are higher on PEI
- Cost of waste disposal is higher
- Land transfer tax has to be paid when new businesses buy land
- Workers Compensation benefit rate is higher but threshold is lower

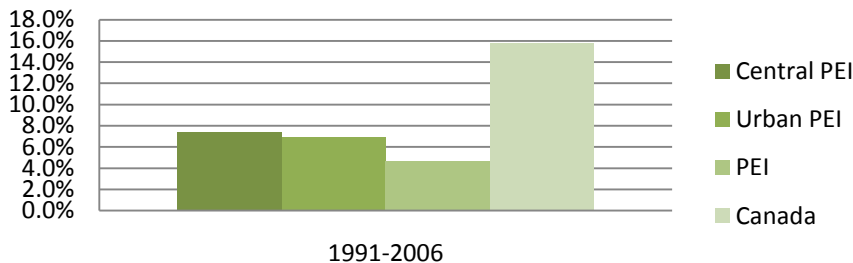


## 4.0 CENTRAL REGION

The designation Central PEI corresponds with the area which Central Development Corporation Inc. is responsible for. For Central PEI, population data for the City of Charlottetown, the Towns of Cornwall and Stratford, and Lots 35 to 37, 48 to 50, 57, 58, 60 and 62 have been excluded from Queens County<sup>4</sup> population numbers and Prince County Lots 18, 19, 25 to 28 have been included. Population numbers excluded or included for particular lots also include cities, towns and villages which form census units within those lots. Urban PEI includes the Cities of Charlottetown and Summerside and the Towns of Cornwall and Stratford.

### 4.1 Population

Figure 19 – Percentage Changes in Population, 1991-2006: Central PEI, Urban PEI, PEI and Canada.



Source: Statistics Canada 2006 Census Community Profiles

As shown in Figure 19 Central PEI's population increased 7.4% during the 15 year period from 1991 to 2006 while PEI as a whole experienced a 4.7% increase and Canada experienced a 15.8% increase during that time period. During the same time period Urban PEI's population grew by 6.9%. Population growth in Central PEI is mostly attributed to growth in Lot 19 (Kensington and surrounding areas), Lot 24 (Rustico and surrounding area), Lot 29 (Desable to Crapaud), Lot 34 (Stanhope/Covehead area), and Lot 65 (Rocky point/New Dominion area).

### 4.2 Current Initiatives

The Central Development Corporation (CDC) provides various services to community and business clients such as strategic planning, proposal development, project management and information on specific programs and services for the Central Region of PEI. The services are provided by the General Manager and the Economic Development Officer. CDC also provides seminars and workshops, networking opportunities. Business development covers a wide range of activities for CDC including training programs and business counselling. Entrepreneurship education is a priority for CDC, along with promoting the region as a place to do business. CDC provides management services to three associated

<sup>4</sup> 34<sup>th</sup> Annual Statistical Review 2007; Provincial Treasury of PEI, Table 9B



companies; East Prince Holding Ltd, Borden-Carlton Holding Ltd and Kensington Enterprise Centre LTD. CDC runs a number of projects including Young Millionaire Program, which is a summer program for youth ages 10 to 16 and the Trade Internship Program (an internship program aimed at matching recent graduates with businesses looking to export).

### Community Initiatives

- **Kensington Downtown Revitalization Plan** - A comprehensive plan that looks to enhance the function, appearance and investment in the downtown area.
- **Borden-Carlton Community Strategy** - Discussion stage of developing a new community economic strategy which will address residential impacts of the Confederation Bridge construction.
- **Crapaud Agriplex** - Further development of multipurpose agriculture and exhibition facilities.
- **Stanley Bridge Marina** - Conceptual plan and feasibility study of a 60 slip recreational boating facility with the goal of increasing tourism activity and opportunity for new business start ups. Environmental permitting process initiated.
- **Stanhope Promenade** - Project is completed and has enhanced the tourism product of the North Shore Community. Also completed are the Hunter River Trailhead Park, the Stewart Homestead Community Park in Cavendish and the Hurds Point Trail Park in Lower Bedeque.
- **Coastal Drive Rebranding** - Implementation of the Blue Heron Drive Redevelopment plan, including new signage, marketing materials and product development. The goal of the rebranding is to improve the tourist product.

### 4.3 Central Region – SWOT Analysis

Secondary research was conducted through a literature review of reports previously conducted on Rural PEI and Central PEI to gather relevant data. This data has been summarized in previous sections and is analysed in this section as to the strengths, weaknesses, opportunities and strengths of Central PEI. Our analysis follows in Figure 20.



Figure 20 - SWOT Analysis of Central Region of PEI



### 4.3.1 Strengths

**Strategic Location:** The strategic location of the Central Region, especially the close proximity to the Confederation Bridge makes the Central Region a hub for the province and the maritime region. All major travel routes including Route 1, 1A and 2 run through this region as well.

The region also includes the Strait Crossing Fabrication Yard with a deepwater jetty that was used in the construction of the Confederation Bridge. Over the years, food processing and manufacturing operations that rely on, and support farming operations, have found the Central Region to be a good place to do business. Employers benefit from skilled and loyal workers, reasonable costs for land, reasonable tax rates and close access to major transportation routes.

**Access to Local Markets:** Located between the two provincial cities of Summerside and Charlottetown places producers and employers close to the local markets and labour pools.

**Existing Distribution and Service Networks:** The existence of an established food processing industry offers new companies potential benefits from existing distribution and service networks.

**Access to Land Base:** Access to land in all forms still exists and at reasonable prices when compared regionally. According to the “Invest in Central Region” report, Central Region PEI has forty-four percent of the total provincial acreage used for farming.

**Lower Property Taxes:** Property taxes are cheaper than in Charlottetown and Summerside.



**Borden-Carleton:** The Municipality of Borden-Carleton has access to a deep water berth at the fabrication yard. In addition the town offers community policing, an existing business and industrial park, closest proximity to the Confederation Bridge, close proximity to large Moncton market.

**Town of Kensington:** The Town of Kensington benefits from high traffic flow with 850,000 people passing through Kensington during the tourist season. The Town of Kensington is in close proximity to Summerside and only 45 km from Charlottetown. Services such as a fire department, policing and a well managed business and industrial park are provided in the Town.

### 4.3.2 Weaknesses

**A Number of Small Communities:** Communities within the region are small and do not have the resources to do economic development on their own.

**Lack of Availability of Commercial Space:** There is a lack of available commercial space for potential economic development resulting in new businesses most likely needing to incur new construction costs if they locate in the region.

**Labour Shortage:** According to the report entitled “Invest in Central Region” there is a perception that there is a shortage of labour in the Central Region of PEI. One company highlighted in the report indicated they were having trouble getting employees which they attributed to a combination of losing people to Western Canada, and a local unwillingness to travel too far for work, being in an area with a small population base and the challenge of the Employment Insurance mentality where some individuals only want to work on a seasonal basis. The lack of public transportation between the Central Region of PEI and larger centers like Charlottetown is a factor.

**No Tax Free Zone:** Currently, there is no tax-free zone in the Central Region.

**Communication Infrastructure:** Not all areas of the Central Region currently have access to high speed Internet which can impact doing business in the area. Other communication costs can be higher. For example the cost of multiple line telephone service to businesses in certain rural areas of Central PEI is higher than a comparable multi-line service delivered to businesses in closer proximity to a sub-station.

**Proximity to Larger Centres:** The location close to larger centres can also be weaknesses as the proximity to Summerside and Charlottetown may lead an investor to say why locate in Kensington when the urban centres are so close.

### 4.3.3 Opportunities

**A Fabrication Yard in Borden-Carlton:** The land used as the staging grounds for the building of the Confederation Bridge is owned by the PEI Government. The province purchased the 45-hectare site, including its deep-water port. It remains as it was when the bridge was completed with standing concrete pillars. The land has sat idle for almost 12 years, since the opening of Confederation Bridge in



June 1997. Government is in no hurry to remove the remnants of the Confederation Bridge construction. That concrete and gravel that's left on the yard may a good starting point for future development. Borden-Carlton sees it as a prime industrial location, but it also sits at one of the three gateways to the province.

**Other Opportunities:** Identified as the best opportunities are:

- **Precision manufacturing** has a history in the area
- **Food-processing with specialty products** to add to existing processing capacity in the area
- Opportunities in **renewable green energy**: such as ethanol production, wind power, or manufacturing of wind turbine blades
- **Tourism developments** have a history of success given the regions high tourist volumes
- **Agriculture production** in the “New Agriculture” can benefit from the many family farms in the region with generations of experience
- **Foreign investment** in Atlantic Canada is very low and competition for foreign investment is very high. The United States has traditionally represented the leading source of foreign investment in Atlantic Canada. The Central Region has made the goal of attracting foreign investment a priority in the goal of rural economic development

#### 4.3.4 Threats

Some threats to rural economic development in Central Region and any other rural region in PEI are:

- Personal income taxes are 1% higher than NB
- Corporate income taxes are higher
- Transportation costs – the bridge, no rail, and longer distances to markets
- Power rates are higher on PEI
- Cost of waste disposal is higher
- Land transfer tax has to be paid when new business buys land
- Workers Compensation benefit rate is higher but threshold is lower

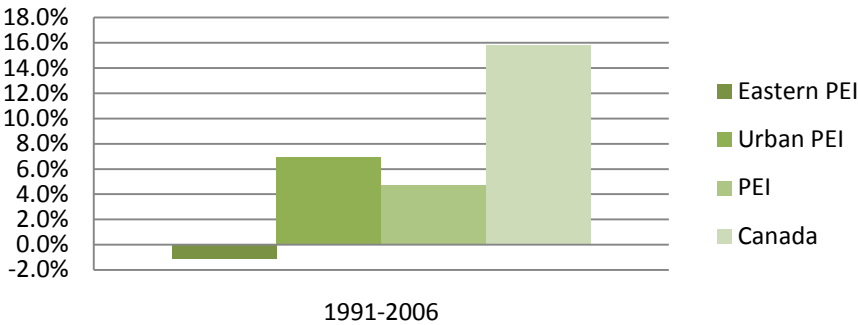


## 5.0 EASTERN REGION

### 5.1 Population

The designation Eastern PEI corresponds with the area for which Active Communities Inc. is responsible for. Eastern PEI population data includes the population numbers for Kings County<sup>5</sup> as well as Queens County Lots 35 to 37, 48 to 50, 57, 58, 60 and 62. Population numbers excluded or included for particular lots also include cities, towns and villages which form census units within those lots. Urban PEI includes the Cities of Charlottetown and Summerside and the Towns of Cornwall and Stratford.

Figure 21 – Percentage Changes in Population, 1991-2006: Eastern PEI, Urban PEI, PEI and Canada.



Source: Statistics Canada 2006 Census Community Profiles

As shown in Figure 21 Eastern PEI’s population decreased 1.1% during the 15 year period from 1991 to 2006 while PEI as a whole experienced a 4.7% increase and Canada experienced a 15.8% increase during that time period. During the same time period Urban PEI’s population grew by 6.9%.

### 5.2 Current Initiatives

Active Communities Inc. (ACI) is a non-profit organization geared toward community development and business development. ACI has responsibility for the area east of Charlottetown with members of the board selected to meet fair geographical, gender, occupational, industry and sectoral distribution.

ACI works closely with private and public sector partners to assess local challenges and to look at new ideas and opportunities that could strengthen the economies of Eastern PEI communities. In consideration of the unique circumstances of their local area, ACI assists in planning and helping to implement development strategies that are designed to build brighter futures for the communities within Eastern PEI. As part of their mandate, ACI plays an active role in the establishment of new businesses and in the expansion and modernization of existing operations in Eastern PEI. ACI assists

<sup>5</sup> 34<sup>th</sup> Annual Statistical Review 2007; Provincial Treasury of PEI, Table 9B



small and medium sized businesses through the provision of advice, training and financing as an affiliate of Atlantic and National Community Business Development Corporations. They help to develop the local economy through the creation of private sector employment. To accomplish these objectives, they offer assistance through the following programs:

- Business loan program
- Seed capital program
- Young millionaire program
- Self-employ PEI program

### **5.2.1 Montague**

Montague Plans and Incentives for Downtown Redevelopment, a report produced in 2008, investigates the potential for incentives which would serve the Town's economic development purposes. Montague is now considering development incentives such as a facade program, a streetscape program and a property tax deferral program.

### **5.2.2 Eastern Kings**

The Eastern Kings Wind Farm, owned and operated by the PEI Energy Corporation, a Crown corporation, consists of 10 Vestas V-90 turbines with a capacity of three megawatts each for a total capacity of 30 megawatts. The project capital cost was approximately \$56 million. A 44-kilometre transmission line, built by Maritime Electric Company carries energy from the wind farm to a substation at Dingwell's Mills. Annual production is 90-95 million kilowatt hours. The average house uses about 8,000 kilowatt hours of electricity annually so the wind farm produces enough electricity to power about 12,000 homes. The Eastern Kings Wind Farm supplies about 7.5% of PEI's electricity and displaces 70,000 tonnes of greenhouse gases per year. That is the equivalent of taking about 15,000 cars off the road.

*Source: Government of Prince Edward Island web site*

### **5.2.3 Georgetown**

The past number of years has seen new developments on the Georgetown waterfront such as community cultural centre/restaurant complex, visitor information centre, a waterside boardwalk, an enhanced beach and community facilities. This has complemented the existing tourism and development opportunities by the town, including the award-winning AA Macdonald Memorial Gardens, Kings Playhouse and Georgetown Inn.

Georgetown has long benefited from its close proximity to the Brudenell River Resort, which features 2, 18 hole championship golf courses, 1 nine-hole teaching academy golf course, Rodd Brudenell Resort Hotel, Executive Suites and Marina. The Brudenell River Resort continues to be a magnet for tourists in Eastern Prince Edward Island.



#### 5.2.4 Ferry Services

The two ferry services continue to receive federal government support and have enjoyed relatively stable passenger numbers. Northumberland Ferries Ltd at Wood Islands connects PEI with mainland Nova Scotia and continues to be a vital link for tourists and businesses. The CTMA ferry service at Souris connects PEI with the Magdalen Islands (Quebec) and for the first time in 2009, the ferry service continued year round.

#### 5.2.5 St. Peter's Area

St. Peter's Area refer to the communities of Naufrage, Monticello, Goose river, Ashton, Selkirk, Farmington, Cable Head East, Cable Head, Cable Head West, St. Peter's Bay, South Hampton, Forest hill in Greenwich and Midgell. Over the past several years various projects have been undertaken in the St. Peter's Area which has resulted in increased economic activity in the area:

- Correction of the sewer odor by carrying out extensive dredging of the river and capping organic material,
- Addressing of traffic concerns at the intersection on the Northside of Route's 313, 16 and 2,
- Development of Greenwich National Park which includes the Greenwich Interpretation Centre, Hiking Trails – features three hiking trails 1.25 km to 4.5 km in length and the beach with services including washrooms, change rooms, showers, picnic shelter, wooden boardwalk to beach, observation tower, and supervised swimming,
- Establishment of a Visitor Information Centre which opened in 2000 and also contains a privately owned operation, Take a Break Café,
- Developed of a day use park "Bayside Landing",
- Renovation of Quigley Hall, a local building that served in the past as a courthouse and a school. This building was transformed into a museum and a theatre and also provides space that can be rented out for workshops and other functions. The theatre is a 90-seat venue for theatrical productions including entertainment by local storytellers and musical performances.
- Development of a system of trails, a boardwalk and a pedestrian bridge creating a walking link between the visitor information centre and the community core.
- Construction of St. Peter's Landing that includes a Mussel Interpretive Centre describing the mussel industry of Prince Edward Island and several retail shops. The site was landscaped incorporating the features already in place from Bayside Landing Park including trails, lighting, flowerbeds and park furniture. The site connects to the community trails, parking and the new pedestrian bridge and creates a walking link between the Visitor Information Centre and the community core.
- These various developments also resulted in additional private sector investment in the community with the establishment, expansion of accommodations and retail shops.



### 5.3 Eastern Region SWOT Analysis

Secondary research was conducted through a literature review of reports previously conducted on Eastern PEI and Rural PEI to gather relevant data. This data has been summarized in previous sections and is analysed in this section as to the strengths, weaknesses, opportunities and strengths or Rural PEI. Our analysis follows in Figure 22.

Figure 22 - SWOT Analysis of Eastern Region of PEI



#### 5.3.1 Strengths

**Natural Beauty of the Region:** Eastern PEI has its own beauty and feel with scenic landscape, beaches, ports and towns. The work being done in the Western Region to attract retirement age residents back to PEI could also be a good fit for the East.

**Community Minded People:** While the population has been in a slight decline the people of the Eastern Region are community minded people who pride themselves on volunteerism and hard work. Among them can be found the leaders and champions who can take control of future rural economic development projects.

**A Strong Land Base:** Agriculture, forestry and wind energy are three good examples of development initiatives that cannot be done in or near a city. The current 150 MW of wind energy currently produced in PEI is produced in Rural PEI. The upper estimates of where PEI might get to in wind energy - 2000 MW, will only be possible because of the strong land base in Rural PEI and the wind regime.



**Strong Shipping Tradition/Ports/Ferry Service:** The ship building tradition is strong in the Eastern Region and it lives on in Georgetown where tug boats are manufactured with the help of Holland College trained welders and labour. The ports of Souris and Wood Islands are home to the regions ferry services. Important linkages for the entire province and country to Nova Scotia and the Magdalen Islands. Small craft harbours are also numerous and the fishing industry is a major employer.

**Towns of Montague, Souris and Georgetown:** As the largest town in the Eastern Region Montague provides a hub for the county and provides access to several goods and services including restaurants, shopping, automobile dealers and government offices. Souris and Georgetown also provide hubs for their surrounding communities.

### 5.3.2 Weaknesses

**Negative Population Growth:** While population decline has been slight, it is in decline. Eastern PEI's population decreased 1.1% during the 15 year period from 1991 to 2006 while PEI as a whole experienced a 4.7% increase during that time period. During the same time period Urban PEI's population grew by 6.9%.

Out migration has been a lingering issue for the region. Youth leave the region for post-secondary options or employment. Some migration is within the province to centres like Charlottetown. Other migration has been to larger provinces with more educational or career opportunities.

**Statistical Indicators Below Average:** The average level of education, literacy, employment, annual income and property values in the region are all below the provincial averages.

**Lack of Professional Education and Training Opportunities in the Region:** There is less of an incentive in the Region for professional education and training given the necessity to relocate during the period of study or experience a lengthy daily commute.

**Dependency on Primary Industries:** This region may be the one least prepared to deal with a major hit to one of the primary industries (Agriculture, Fishing, Tourism). The diversification that has occurred over the past two decades across the province has probably had the least impact on the Eastern Region. This leaves people in the East more dependent on unemployment insurance, seasonal employment and government assistance.

### 5.3.3 Opportunities

**Existing Industry Development Areas and Tax Free Zones:** Existing development areas like the Souris Food Park, the Pooles Corner tax free zone and the ice free port at Georgetown make Eastern Kings a viable option for many manufacturing and processing firms looking at Atlantic Canada.



**Rural Broadband:** The entry and expansion of rural broadband will open up opportunities in ITC. Opportunities could include attracting large ITC firms, attracting self employed entrepreneurs who want to work from home, and expansion of Internet based and financial services jobs.

**Retail Growth:** While some retail is offered in the region, the opportunity to expand retail in conjunction with population growth does exist. Currently some retail space is available and all communities offer access to good retail locations with vacant land or sites ready to be redeveloped.

**Brudenell, National Park and Basin Head:** Existing tourism attractions offer opportunities for more attractions, accommodations and services to locate around them and enhance the existing tourist draws.

**Abegweit First Nation:** With two reserves in the Eastern Region, the Abegweit First Nation is a growing economic force. With the cooperation of the Mi'kmaq Confederacy of Prince Edward Island there can be real gains made in rural economic development by and with the Abegweit First Nations.

### 5.3.4 Threats

Some threats to rural economic development in the Eastern Region and any other rural region in PEI are:

- Personal income taxes are 1% higher than NB
- Corporate income taxes are higher
- Transportation costs – the bridge, no rail, and longer distances to markets
- Power rates are higher on PEI
- Cost of waste disposal is higher
- Land transfer tax has to be paid when new business buys land
- Workers Compensation benefit rate is higher but threshold is lower

## PHASE II – INPUT FROM RURAL PEI





## **6.0 BUSINESS AND COMMUNITY ROUNDTABLE SESSIONS**

Phase II of this engagement was focused on identifying potential economic development strategies for the rural areas of PEI served by Resources West Inc. (Western Region), Central Development Corporation (Central Region), and Active Communities Inc. (Eastern Region). Input was gathered from business and community leaders within each of the regions through a series of round table sessions. One round table session was held for business leaders in each of the Regions with ten participants per session. A second round table session was held for community leaders in each of the Regions with eight to twelve participants per session. A part of the gathering of input from Rural PEI included interviews with six experienced and successful business owners to gather best practices in growing rural businesses. The findings were analyzed and are summarized in Section 6.2.

During the course of this study, numerous specific projects/initiatives were suggested, many of which appeared viable and could potentially contribute to the long-term economic growth of each region. Many of the projects and initiatives were identified in more than one region while other projects were specific to a particular region of Rural PEI. The REDO may have a role in moving forward some of these projects and initiatives but there may be some that although good projects that are championed by others. The involvement of the REDO in any particular project or initiative will vary and many other partners and funding sources will be required. Descriptions of projects and initiatives are presented in Section 7.1 for those projects and initiatives that could apply on a Rural PEI basis and in Sections 7.2 to 7.4 for those projects and initiatives that apply to a particular region.

In particular, the business round table session participants, rather than delving immediately into a discussion around potential strategies and initiatives commenced the session by discussing their challenges and what was required to help Rural PEI businesses to be more competitive and innovative and of the urgency for rural businesses to achieve this goal. A summary of that discussion is provided in Section 6.1 and Figure 23.

### **6.1 Urgency For Increasing Rural PEI Business Competitiveness**

Globalization has opened international markets to PEI producers and businesses, but it has also introduced increasing competition with similar operations around the world. PEI rural businesses are forced to continuously redefine and expand their product offering to maintain their competitiveness and meet emerging consumer trends. It is also essential that the Island rural businesses improve their efficiency to ensure economic viability in a time of increasing transportation costs and low-price pressure from competitors in developing countries. This is a challenge for rural businesses, and statistics have shown that producers and manufacturers have difficulties making this transition. Agriculture, a vital sector in rural communities, has been experiencing progressively rapid decline. For example, the



profitability ratio in PEI agriculture sector decreased from (+0.035) in 2000 to (−0.002) in 2007, resulting in a negative decline of 0.037 over the seven-year period.<sup>6</sup>

With a strong desire to adapt to changes, rural businesses are exploring opportunities, including new value-added products, niche markets, product improvement, and lower energy costs. To turn their ideas into profitable operations, rural entrepreneurs and businesses need access to expertise, services, and funding. A majority of existing rural businesses are small enterprises, which would greatly benefit from working with government program officers as well as research and development institutions. Increased opportunities for networking and collaboration would significantly increase their ability to generate competitive products and services as well as to penetrate new markets.

Figure 23 - Urgency for Increasing Rural PEI Business Competitiveness



## 6.2 Best Practices In Growing Rural Businesses

Rural businesses in PEI have traditionally been in the sectors of farming, fishing, forestry and tourism or businesses in the upstream (such as veterinarians and mechanics) and downstream (such as food processors) of these sectors. The interviewees that provided input on best practices of operating a business in Rural PEI located their business in a rural setting because they had grown up in a similar environment and wanted to continue to live in a rural environment or because a rural location made good business sense for their product or service. In most cases, both lifestyle and business case factors contributed to the decision to locate and operate in a rural location.

<sup>6</sup>Source: Statistics Canada. Table 002-0020. Balance sheet of the agricultural sector, at December 31, and ratios, annual (dollars unless otherwise noted) (table), CANSIM (database).



The primary strengths of Rural PEI as a location for business are the beauty and quality of the landscape and environment and the hard working and supportive nature of the people. This includes the perception that PEI has a safe and stable agricultural sector. Interviewees also noted that Rural PEI has ready access to services and infrastructure such as schools, hospitals, sports and recreation facilities, etc. in communities from Souris to Tignish.

The greatest challenges and barriers facing rural businesses are how to maintain and enhance these existing strengths at a time when rural services and infrastructure are being eroded as a result of declining population and a diminishing emphasis is being placed on the concerns of the farming community and others who maintain the land base necessary for a rural landscape. These challenges are compounded when business feels that government at all levels (municipal, provincial and federal) is bureaucratic and doesn't respond or act in a timely manner. As one interviewee noted, a business needs to know what its customers want and has to make it easy and pleasant for them to get it. Government should be held to the same standard. The last thing rural areas struggling with declining populations need is to discourage residents and potential residents from pursuing good ideas by having to deal with government (local, provincial and federal) procedures and processes that make it difficult to get decisions and answers in a timely fashion.

Rural businesses succeed for the same reasons as their urban counterparts – hard work, perseverance, building a positive relationship with customers, and making strategic marketing decisions, among others. One of the key benefits to locating and operating a business in a rural location is the support you get from the people in the community. They want you to succeed and many become good friends over the years. However, many rural businesses are also more vulnerable to economic conditions outside their control (weather, commodity pricing, international trade barriers/regulations, etc.). The quality of life image that PEI uses to market itself on the world stage is largely a rural one. Interviewees questioned whether the amount of policy and investment in Rural PEI is reflective of its importance to PEI's image and identity. Once something is gone it is hard and very expensive to get it back so why not invest in keeping it in the first place.

Not all interviewees received financial support through a government loan or grant program to establish their business, but they all felt the 'right kind' of government programs and supports can play a role in rural business success. ACOA, the PEI Lending Agency and HRDC programs were used in the past by some interviewees as well as the federal westbound freight assistance program that was available in the Atlantic region until 1995. Interviewees suggested the following objectives (in no particular order) as being valuable in helping rural businesses succeed:

- Ensure the beauty and cleanliness of the PEI rural landscape
- Maintain an agricultural use land base for Rural PEI
- Stimulate greater participation in rural governance through expanded community boundaries or other mechanisms to allow new people to get involved



- Develop programs that help Rural PEI businesses be more competitive. Government programs should:
  - Give existing businesses (which have a proven commitment to the community) as much weight and consideration as businesses in new or priority sectors.
  - Be flexible enough to meet diverse needs. One company may require assistance with capital financing for new equipment or an expansion while another may need help developing new markets for existing products or new products for existing markets.
  - Provide timely responses and respect the speed at which business operates.
- Increase the population in rural areas. This might involve a targeted campaign by certain communities to offer services and amenities especially attractive to retirees. It could encompass an initiative to encourage people to move to rural areas by offering incentives or even by mandating that government paid employees such as teachers, RCMP, officers, or health care workers, who work in rural communities, must also live there.
- Catalogue the strengths of Rural PEI and go out and sell them. Self-employed people in crowded, expensive jurisdictions are a potential target market for the PEI rural business advantage.

In addition to the objectives listed above, perhaps the single, most important best practice for rural economic development is realizing how integrated rural communities are. This means developing strategies that consider the long term impacts of decisions, policies and programs, not just in economic development but in all areas of development, before they are implemented rather than after. Rural businesses will not succeed without a vibrant rural environment within which to operate. Take as an example the hog industry, which though subsidized, generated significant revenues for farmers and local businesses. It also served as a market for the barley grown as a rotation crop for potatoes. When the hog industry collapsed, the negative effects were not limited to the individual hog farmers but extended to the community (loss of people), other farmers (loss of markets) and local services and suppliers (loss of income). Unfortunately, examples like this have contributed to rural decline across the country. As successful business people turn challenges into opportunities, PEI has the opportunity to implement best practices that support rural business in particular and rural communities in general.



## **7.0 POTENTIAL COMMUNITY PROJECTS AND INITIATIVES**

During the course of this study, numerous specific projects/initiatives were suggested, many of which appeared viable and could potentially contribute to the long-term economic growth of each region. Many of the projects and initiatives were identified in more than one region while other projects were specific to a particular region of Rural PEI. Descriptions of projects and initiatives are presented in Section 7.1 for those projects and initiatives that could apply on a Rural PEI basis and in Sections 7.2 to 7.4 for those projects and initiatives that apply to a particular region.

### **7.1 Rural Projects And Initiatives**

#### **7.1.1 Assist Primary Industries and Existing Supporting Businesses with Innovation Strategies**

Atlantic Canada has experienced low levels of business investment in research and innovation activities, relative to the rest of Canada. According to Statistics Canada, 2005 business investment represented only 27% of total R&D expenditures, compared to 48% nationally. A number of other indicators suggest that Canada lags behind its major international competitors in the commercialization of new products and processes. While rural businesses recognize the need to be innovative to drive their success they are challenged with finding the time and expertise to focus on their innovation strategies. A program is required to assist the primary industries with development of innovation strategies around value added product development with particular focus on exportable goods and products with niche markets, development of new export markets, and providing access to financial and business expertise to fully develop these strategies.

A Rural Innovation Acceleration Program could be provided in each of the regions bringing together small groups of entrepreneurs for sessions to assist in accelerating their innovation strategies. The program could link entrepreneurs with expertise, provide a business advisory board, provide facilitated sessions in areas of interest such as financing, sources of funding, human resources, marketing, and product commercialization.

#### **7.1.2 Focus on Value-added Initiatives for the Primary Sector**

The food processing sector on PEI involves the processing of agriculture and fisheries products and along with agriculture contributes 13% of provincial GDP. In comparison the next highest percentage of provincial GDP represented by food processing and agriculture is Saskatchewan and Manitoba at 7%. A focus on value-added initiatives for the primary sector is of significant importance to PEI's economy. As more and more land moves out of the agricultural sector and increasing acreage of agricultural land is converted to energy and bioscience crops the source of food is going to become more of a challenge. To maintain food crops as the primary product grown on agriculture land producers need to be able to make a profit on the crops they produce. Increasing the value of food crops results from the value-add to the raw product. This is also the case for the fisheries sector as well. A focus must be placed on



developing value-added initiatives for primary resources. Food processors must be able to respond quickly in a competitive marketplace with new product development and implementation. Government must work with business to accomplish this. Access to funding is required to put proper plans together, hire professional expertise such as engineers, food scientists, market expertise, and other consultants. Increased funding is needed for the development of innovative new products – a processor indicated that a maximum of \$3 million is not enough when you are developing products that are not in existence today.

### **7.1.3 More Government Presence in Region or Funding so REDO's Have Sufficient Human Resources**

Rural communities feel they are at a disadvantage to urban areas with centrally located Provincial and Federal Government delivery agents. More local presence in the region would provide for closer communication with government representatives, eliminate some of the frustration with not knowing who to contact within government and having to go through several contacts before landing at the right person and program, increased knowledge of government support programs and services, increased opportunity for networking with government representatives, and an opportunity for government representatives to increase their knowledge of local businesses. An alternative would be to provide additional resources within the Regional Economic Development Organizations to network with both the business community and government representatives, maintain up to date knowledge of Federal and Provincial programs relevant to business operations within their region, to direct businesses to appropriate government contacts and to assist businesses in application preparation.

### **7.1.4 Assist in Expanding Markets**

Businesses recognized the need to continue to expand markets for their products. Businesses are especially challenged with the ability to find expertise and funds for market research, to develop marketing plans and to access international markets. Market research will assist local businesses in staying ahead of the curve and identifying new niche markets. There is a need for increased financial support from government to access this market expertise.

### **7.1.5 Increase Competitiveness for Existing Products**

Global competition is increasing and a typical rural business is no longer just competing with similar type of operations down the road to sell their product. Their customers are global and have access to products from similar operations anywhere in the world. This broadened realm of competitors puts pressure on the business not only continue to enhance and improve their product but also to be able to sell their product at a competitive price point. A population decline especially in rural areas is impacting the availability of human resources to produce products. Continued pressure to increase production efficiencies coupled with a population decline, especially in rural areas, means businesses need intelligence about their competitors production methods and knowledge of how to implement new



more efficient, less labour intensive innovative equipment into their operations. There is a need for increased financial support from government to access expertise with this business intelligence and for implementing these new technologies (access to capital for equipment, training funds for employees) into the operation.

### **7.1.6 Encourage Community Cooperation/Information Sharing**

In most rural areas there is a lack of awareness of what is going on in other communities in the area in the way of economic development. Many community leaders commented on the fact that there is currently no forum by which they communicate with other community leaders. Regional cooperation and communication between communities would serve to eliminate duplication, provide opportunities for the sharing of good ideas and best practices to transfer learning from one community to another and provide opportunities to sell the Region as a unit rather than individual communities.

Ideas such as a community leaders forum which meets on a quarterly basis or development of a web-based portal to link community groups within a region should be further explored.

### **7.1.7 Develop Festivals and Events Program**

Tourism numbers in Atlantic Canada are in decline since their peak in 2002. Rural regions of PEI, in particular are challenged with attracting visitors to their communities. The Western Region spoke about the need for an entertainment venue in the area for visitors, enhancement of the community small halls program and having a coordinated calendar of festival and events throughout the region. The Eastern Region also talked about enhancing the small halls program and the need for an Eastern PEI Festival (such as the successful Fall Flavours Festival in Charlottetown). The Central Region was also interested in festivals and events that would attract tourism visitors. One of the six key themes of visitation motivators that emerged from tourism research was culture, entertainment and heritage. Research also showed that authentic cultural-based festivals and events were one of the foundational visitor needs. Enterprise Cape Breton Corporation launched a Festival and Events Program in 2002/03. During the first four years of the program the economic spin-off was \$104 for every \$1 invested.

A Festival & Events Program should be developed targeted to applicants with the potential to:

- Generate new visitation or serve visitors to rural communities,
- Extend the length of stay and spending of visitors,
- Improve the quality of the customer's experience and guest satisfaction,
- Create new and/or maintain jobs, and
- Serve new markets while not impacting local competition.

Resources should be provided to assist regions in developing a calendar of events to avoid hosting festivals and events on the same dates and to assist in cross-promotion of community events.



### 7.1.8 Launch Community Economic Development Investment Fund (CEDIF)

Prince Edward Island small businesses and communities face significant challenges in obtaining the capital necessary to finance economic development projects. Equity markets play a crucial role in economic development. An efficient, liquid equity market encourages other investors to enter the field simply as shareholders rather than as venture capitalists. It thus expands the sources of capital available for entrepreneurs and the number of investment avenues available for those seeking the best return on their money.

A Community Economic Development Investment Fund (CEDIF) is a pool of capital, formed through the sale of shares (or units), to persons within a defined community, created to operate or invest in a local business. In most cases, it cannot be charitable, non-taxable, or not-for-profit. The pool of funds must then be used for the purposes specified in the offering document, which is essentially a simplified prospectus. The CEDIF program focuses heavily on the co-operative model that is considered integral to many rural communities in Prince Edward Island. CEDIFs are locally owned and provide equity financing which typically supplements or is used to leverage the debt financing. Income is earned primarily through interest, dividends and capital gains. The returns generated from operations will depend upon the performance of the investments made by the CEDIF. Most CEDIFs will not declare a dividend in the initial years of operation, and capital gains will be limited due to resale restrictions. CEDIF programs would support the spread of innovation and entrepreneurship throughout the Province and should be supported.

The benefits to the investor are:

- RRSP tax credit
- A non-refundable tax credit (Equity Tax Credit)
- A guarantee for percentage of investment for a number of years
- Pre-approved status for a self-directed RRSP

The benefits to the province are:

- Increased investment in local for-profit ventures,
- RRSP investment dollars remain in the Province,
- Minimal administration or up front direct costs other than administrative costs and the costs associated with equity tax credits.
- A vehicle to accelerate “local” investment from within our rural communities

### 7.1.9 Develop a Business Transition Program

Business owners and community leaders identified the challenges for new entrepreneurs looking to enter business. It is virtually impossible for them to access financing to purchase or start a new business, especially in a rural area. This challenge of business entry for new entrepreneurs will become more



significant as we see more and more entrepreneurs reaching retirement age and looking to sell their businesses or to transition them to the next generation. In many cases these existing entrepreneurs are relying on the sale of their business to provide the financial resources for their retirement years. New creative approaches are required to help make these transitions happen and to give new entrepreneurs a start in the business world.

Government should establish a program for business transition, long term business planning and entrepreneurial development through training and mentorship of new entrepreneurs.

### **7.1.10 Create a Rural Population Strategy**

During the 15 year period from 1991 to 2006 PEI as a whole experienced a 4.7% increase in population. The rural areas of Western PEI and Eastern PEI did not experience the same population growth. Western PEI's population increased by 3.9% while Eastern PEI's population declined by 1.1%. Central PEI however reported a 7.4% increase during the same timeframe. Over the past 50 years the population profile for PEI has switched from 69% rural to 55% rural.

Up until 2008 the population cohort Age 15-19 has exceeded the Age 60-64 cohort, in other words the number of new entrants to the labour force has exceeded those retiring from the workforce, however by 2011 it is projected that the retirees from the labour force will exceed the number of new entrants and that this gap will increasingly widen until 2025. Out-migration rates are particularly high for young people from Atlantic Canada and out-migration tends to be a bigger drain on rural communities than urban centres.

The percentage of new immigrants to PEI locating in urban areas has steadily increased since the years before 1991. Before 1991 45.4% of immigrants were locating in urban areas. In the period 2001 to 2006 69.6% of immigrants located in urban areas. Since 1991 immigrants locating in the Western Region is less than 1% and in the Central Region has declined from 25.2% to 17.5% in 2006. The only rural region seeing an increase in the percentage of immigrants that it is attracting to PEI is the Eastern Region, which has increased from 23.7% to 28.1%.

Demographic challenges are particularly significant for SMEs. The shrinking labour force results in specific challenges of:

- Attracting new talent,
- Retaining existing talent, and
- Increasing the skill level of the existing workforce.

A population strategy is required for the each region in the province and should include goals and strategies for attracting senior's and immigrant's as well as retention and repatriation of Island residents. This strategy should also be communicated to the general population as they would have networks of family members and other connections in other locations to draw people to the rural areas.



One strategy identified was implementation of a PEI Ambassador Program where groups of volunteer participants would meet for a couple of days on an annual basis for information and training sessions on selling PEI to attract new people and businesses. These volunteers would then take advantage of any opportunity to sell the Island whether it is on their travels or to individuals visiting the Island.

#### **7.1.11 Develop Aliant/Holland College Rural Development Through Education Strategy**

Rural businesses can be challenged with accessing skilled and knowledgeable employees due to a combination of factors ranging from the declining population in rural areas coupled with increasing transportation costs providing a disincentive for employees to travel to a place of work outside of their general area of residence and the lack of training being provided in rural areas.

Aliant and Holland College are partnering to develop a concept for rural development through adult upgrading and education with the goals being to (1) provide sustainable support to equip Islanders for online learning, (2) to enhance rural development via broadband for adult educational opportunities on Prince Edward Island [computer literacy, adult upgrading, foundation academic program, pre health science program] and (3) to create diploma level programming accessible through e-learning in areas such as small business management.

The project is intended to service all communities on PEI; however it may be initially piloted with a couple of communities. This project will require two main types of infrastructure as a foundation for the project educational (methodological for online learning) and technical (broadband, network and support for online learning). Resources required to implement the project include human resources (instructional designers, curriculum, content and technical expertise), technical resources (broadband, computer equipment on site, network support), and physical resources (rural centers where centralized delivery and support are offered).

#### **7.1.12 Support Potential Refocusing of PEI Food Technology Centre**

The agriculture industry on PEI has changed dramatically in the past few decades, responding to commodity market demands for high-volume, low-cost product. Farms are now less in number, and larger in size; however, these changes have not enabled Island farmers to achieve financial success. The recent closure of the Island hog plant, ongoing financial problems at the Atlantic Beef plant, soaring fuel and input costs, as well as low commodity prices, illustrate the obstacles Island farmers are currently facing. There is a significant need for development of high-value food products to sustain the livelihood of PEI farms. Agriculture is a cornerstone of the Island economy, with far-reaching economic impacts into PEI's other primary industry of tourism. The preservation of PEI agriculture is a requirement for the economic health and prosperity of PEI.

PEI's fisheries industries are suffering from economic instability due to high fuel and bait costs, poor catches and market saturation. Many of PEI's seafood products, such as lobster, are considered luxury



items which have become dispensable during the global recession. The fisheries industry is unable to improve their economic situation through increased harvests, due to stringent federal regulations and quota restrictions; thus an innovative strategy must be developed to respond to the growing problems in the sector. Product development in the fisheries sector presents a valuable economic opportunity for the industry to respond to changing market demands.

The emerging bioscience sector on PEI has significant support from the provincial government as a platform for economic growth. Bioscience intersects with both fisheries and agriculture, providing state-of-the-art technologies for creating value-added products. The PEI Bioscience Cluster provides access to a dynamic array of tools and expertise that will aid in the development of products to meet the changing needs of today's health-conscious, environmentally-conscious consumer.

A recently completed strategic plan for the Food Technology Centre has identified the need for FTC to focus on providing services in support of PEI's primary industries, fisheries and agriculture to better support economic stability in these sectors through a realignment of FTC resources, to provide a single centre of expertise for food product development and support services.

### **7.1.13 Provide Board – Volunteer Training**

A sentiment that was echoed throughout the regions was the need to develop a new generation of volunteers. Current volunteers have been active for many years serving their communities and would like to see more involvement from other community members, especially youth.

In order to develop this new generation of volunteers there is a need for investment in leadership, Board training, and mentorship of youth. Stronger community organizations create stronger communities.

## **7.2 Western Region**

### **7.2.1 Expand Wind Sector**

The Wind Energy Institute of Canada (WEICan) is a key asset in Western PEI and should be expanded. Further enhancements will help to attract highly qualified people to the Institute and provide new opportunities for the region. Wind is a natural resource for the area and provides a competitive advantage for Western PEI. The growth in the wind sector has benefited the trades and service sector in the region during the installation phase and also provides an opportunity for further tourism product development. The growth of wind as an energy alternative has the potential for providing an opportunity for local businesses to reduce their costs using wind. Government support on the regulatory side is required.



### **7.2.2 Grow Scientific Community**

Western PEI recognizes the need to grow the number of highly qualified individuals living in the Region. Access to skills and knowledge is a significant challenge for businesses, especially in rural communities. These skilled and knowledge people are key to discovering new innovative products and processes, establishing new businesses, expanding existing businesses, and reaching new markets. This expertise will be essential to support the existing primary industries, Wind energy and new opportunities such as other renewable alternatives, biomass and the development of new health crops.

A population strategy is required for the Western Region and should include goals and strategies for attracting highly qualified people as well as retention of current residents. This strategy should also be communicated to the general population as they would have networks of family members and other connections in other locations to draw people to Eastern Region. Consideration should also be given by government to providing tax incentives for HQP relocating to the region. Youth in the region also need to be encouraged to enrol in science and math programs.

### **7.2.3 Develop a Green Region Plan/Identity**

Many markets like Europe are going green and now demanding products produced in a green environment. This opens up the opportunity for a region like Western PEI to establish an identity for themselves as a green region for production of products for these markets and there could also be an eco-tourism theme developed around it. Initiatives working towards this goal were:

- Promotion of environmental stewardship in the region,
- Community trade missions to gain knowledge from other areas such as Germany with BTU heating units for whole communities,
- A pilot project to show local residences and businesses how to reduce energy costs, and
- Conversion of the Bloomfield Business Park into a Green Business Park.

### **7.2.4 Develop Bloomfield Business Park as an Eco-Business Park**

The existing Western PEI Business Park currently has capacity in land and building for new businesses. Redevelopment and rebranding of the business park as a green industrial attraction and development would assist in attracting new businesses to the park. Consumers increasingly expect corporate citizens to be environmentally responsible and to be innovative and show leadership in this area. The Eco-business Park concept represents an opportunity for Western PEI to be a leader in PEI and beyond. Based on a triple bottom line philosophy, (people, planet, profit) the 16-hectare site will offer:



- Reduced electrical and heating costs for businesses
- Reduced PEI energy emissions
- A green space buffer zone and energy generation feed stock
- Educational opportunities
- Pilot project and model development opportunities
- Opportunities for businesses to collaborate in new and unique ways re: shipping and receiving, marketing and waste material management.

Government support would be required for development of a conceptual plan, detailed planning (a business plan, technical assessment of the physical location and appropriateness for a centralized system, optimal design and layout of generating systems within the Park, environmental assessments and a marketing plan), equipment and installation and building retrofit.

### **7.2.5 Develop Unique Tourist Experiences**

As noted earlier, rural regions like Western PEI are challenged with attracting visitors to their communities. The Western Region spoke about the need for an entertainment venue in the area for visitors, enhancement of the community small halls program and having a coordinated calendar of festival and events throughout the region. An eco-tourism theme complementary to developing the region as a green region was discussed and existing assets of the region such as Phee Shore, the Windmills and oyster fishing were mentioned as attributes that would fit well with such a theme. The provision of a unique customer experience in the region by providing customer service training to all operators in the region, not just tourism operators was seen as an opportunity to set the region apart. Distance between accommodations, local beaches and attractions, coupled with a lack of public transportation were seen as a challenge in attracting tourists and extending length of stay. Implementing a beach shuttle service was seen as an opportunity to showcase quality local beaches and improve the tourism experience. There are growing opportunities in the area of experience based tourism, however, in addition to product development assistance (financial and expertise) in experience based tourism operators require assistance in dealing with one of the largest hurdle to pursuing this avenue of tourism product offering which is acquisition of adequate cost-effective liability insurance. There is a need for human resources in the region that has the time and expertise to focus on the area of tourism product development.

### **7.2.6 Support West Prince Central Cold Storage Facility**

The West Prince area has five hundred fishers, nine fish buyers and one fish processor and a large agriculture sector that could benefit for the establishment of a centralized freezer facility. Establishment of such a facility would allow for more local processing to occur.



### **7.2.7 Provide Investment in Fish Processing**

The fish processing sector is a key component of our primary industry of fisheries. It creates many employment opportunities in rural areas of the province. Production efficiencies and automation are essential for the sector to be profitable and competitive. Although this may not lead to new job creation it will provide opportunity for existing jobs to be maintained and enhanced. The sector is challenged with obtaining financing to fund this infrastructure and requires government assistance to move forward. The sector also requires funds for researching and developing new value added products and new markets for existing and new products.

### **7.2.8 Explore Algae Harvesting Opportunities**

Algae are in abundance in waterways in Western PEI and can be used in the production of pharmaceuticals and as a fertilizer product. Algae harvesting provides an opportunity for replacement of the diminishing moss industry in the region. Establishment of a harvesting industry would result in cleanup of waterways, rivers and ponds in the area and could result in a new product line of algae harvesters for equipment manufacturers in the area.

### **7.2.9 Investigate Fibreglass Boat Shop Alternative Products**

Fibreglass boat builders negatively affected by the downturn in the fisheries sector are in need of an alternative product to manufacture. An investigation should be completed into alternative products that could be manufactured in these facilities with existing equipment and utilizing the skills that many individuals in the area have perfected over the years. An identification of alternative products may necessitate bringing in experts to retrain these individuals. Support to investigate alternative products, revamp existing facilities, and retrain workers is required.

### **7.2.10 Provide More Training Opportunities**

There was a general consensus that more training opportunities be provided in the Region. More people in the area are looking to move from seasonal positions into year round employment and with shortages in the trades a short term trade skills program would provide the opportunity for individuals in seasonal employment to gain skills that could allow them to work year round in two or more complimentary seasonal positions.

## **7.3 Central Region**

### **7.3.1 Develop a Renewable Energy Cluster**

Energy costs have a significant impact on a business' ability to achieve a profit. Increasing energy costs over the past couple of years have highlighted the fact that businesses need to be able to access alternative energy sources to remain competitive. A renewable energy cluster was identified as a potential cluster or center of excellence for the Central Region. Central Region has several factors which would enhance the development of a renewable energy cluster. There is transmission line access, access



to ports, large agriculture land base for growing energy crops and providing agriculture waste and also large production facilities in the region that could benefit from investment in renewables in the region. Financing and tax incentives would be required to implement such an initiative.

### **7.3.2 Develop Aquaculture Initiative**

PEI has a natural competitive advantage in aquaculture with quality products sold worldwide. Opportunities to expand the value of this industry such as initiatives to grow the products faster, improve the quality of products, and investigation of uses for by-products such as waste and protein should be supported. Getting better quality products to market faster and sale of by-products have the potential to increase exports and create new job opportunities in the sector.

### **7.3.3 Explore Opportunities for Organic Farming**

The demand for organic products is increasing which provides the opportunity for rural regions to expand production of organic products. Rural communities like Victoria situated on the boundaries of industrial farming areas can experience challenges in attracting residents. Support for initiatives such as the establishment of buffer zones around villages restricting agriculture to organic farming, establishment of a central processing facility for organic products, branding of PEI organic products and joint marketing would further develop this component of the agriculture sector.

### **7.3.4 Provide Assistance to Further Develop Ideas from Concept Stage**

Business owners have the ability to generate new innovative ideas, yet are often challenged due to time and expertise in putting proper plans together. They are not aware of the sources of funding and how to present their ideas to access the funding. They experience frustration in finding a central point of information – knowing who to talk to in government and finding one person with knowledge of a number of government programs for which they could be eligible. Small businesses, especially in rural areas often work a great deal of the time in isolation without a sounding board. They need access to expertise – the knowledge of the expertise that is available and funds to pay for it. They also need mentoring for gaps in their skill set. Access to financing is an increasing challenge and less restrictive repayable loan criteria and more availability of grants is required.

### **7.3.5 Support Tourism Shoulder Season Expansion**

Tourism operators would like to see an expansion to the shoulder season as some have indicated an increase in the season by 100 days is essential to ensuring a profit from operations. Some also feel that without a move in this direction for the sector there will not be a younger generation that will look to the Tourism sector as an entrepreneurial opportunity and that many small businesses will not survive in the long term. Tourism needs capacity building; fresh new ideas, skills development, capital investment, low or no interest loans and harmonized sales tax (HST). Operators also need to be able to reduce their expenses with cheaper electricity, telephone, internet, and taxes so they can improve their bottom line.



The tourism sector is a significant contributor to the Island economy bringing new export dollars into PEI, which can benefit Islanders in areas such as medical care, education and transportation. To remain competitive and grow the tourism sector needs expertise in economic development, visionaries, think tanks, high speed internet, new product development, effective marketing and longer seasons.

Ideas for expanding the shoulder season especially in the North Shore area which has a community of businesses that operate year round include hosting of small meetings, retreats, and corporate incentive travel. To assist with this an inventory of existing facilities and identification of gaps in meeting the needs of this potential market is required.

### **7.3.6 Support Confederation Trail Expansion**

One initiative that could assist in expanding the shoulder season for tourism is the enhancement and increased promotion of the Confederation Trail. The Central Region would like to see trail enhancement with the linking of Hunter River to Cavendish with a longer term view of connecting on the North Shore through to Bedford.

### **7.3.7 Support Rustico Harbour – Boardwalk Extension/Fishermen’s Interpretative Centre**

Another initiative that has the potential to enhance tourism is a boardwalk extension initiative to the Harbour and with a linkage to the Cavendish boardwalk expansion. Expansion of the boardwalk would provide opportunities for development along the boardwalk with enhancement of the Fishermen’s Interpretative Centre, addition of craft shops, and restaurants, similar to what has been done in Eastern Passage, Nova Scotia.

### **7.3.8 Expand Green Tourism Sites**

The Bedeque Bay Environmental Management Association is partnering with the Southshore Tourism Association on initiatives for the greening of tourism properties and setting up environmental areas such as bird-watching, butterfly gardens and trails. Opportunity exists to implement this greening initiative more rapidly and expand it beyond one tourism area with increased government support.

### **7.3.9 Support Crapaud Exhibition Host Facility**

The Crapaud Exhibition Association has completed Phase I of their project which consisted of livestock housing and an outdoor show ring. Phase II is slated to be completed in the summer of 2009. The Association has been successful in scheduling events for the grounds with fourteen scheduled for the summer of 2009. Economic spin-off of the facility events has been calculated as \$750 per animal with 2.5 people per animal being drawn to the region. An added benefit is the hosting of events in May, June, late September and October in addition to the traditional tourism season of June, July and early September. Support for an indoor arena for livestock showing would assist the association in expanding its event offerings and season increasing the economic benefit to the region and province.



### **7.3.10 Support Kensington Community Wellness Complex**

The Town of Kensington is in the conceptual phase of a project which would create a cluster of buildings addressing the needs of seniors for housing and the general health needs of the community. A health related complex would house health professionals – alternative medicine, consultants, chiropractors, etc. The project also includes provision of meeting space and reconstruction of the arena. The concept includes the refurbishment of some existing building and the construction of some new properties.

### **7.3.11 Support Scales Pond Initiatives**

The International Children’s Memorial Place identified two initiatives for the Scales Pond area. The first initiative identified was to refurbish the original Scales Pond Electric Plant located on the property of the International Children’s Memorial Place. The building has historical significance and could become a working museum and tourism attraction for the area. The second initiative is a comprehensive program designed to assist children and families deal with the grief associated with the loss of an immediate family member.

### **7.3.12 Develop a Program To Make Rural Businesses More Productive Without Having to Increase Employment**

Traditionally financial support for business establishment and expansion has been linked to creation of jobs. Today with the looming demographic crisis and the availability of technically advanced less labour intensive equipment, linking support to creation of jobs does not always make the best economic sense. Businesses need to be able to improve the success of their operation through productivity improvement whether that is the installation of technically advanced less labour intensive equipment or the retraining of existing employees to improve their productivity. In evaluating whether to provide financial support to a project Government should give recognition for the maintenance and enhancement of existing jobs, for the indirect economic impact (i.e. maintenance or creation of jobs for suppliers and service businesses) and for the provision of long-term employment and business success.

## **7.4 Eastern Region**

### **7.4.1 Provide Support for Common Infrastructure**

In the Eastern Region there was a strong sense of cooperation and a willingness to help each other succeed. Business owners recognized that if others in the area were successful this would assist other businesses as well. Many service related industries are dependent upon the success of the primary industries and processors and manufacturers in the area. There was a common theme that rural businesses should not be automatically operating at a disadvantage because of the lack of infrastructure such as high speed Internet and three-phase power that is readily available in urban areas and other rural communities across PEI. Other opportunities such as shared cold storage and processing equipment were also discussed.



Access to high speed Internet is an absolute necessity for rural businesses to compete in the global market place for enabling efficient market research on competitors for their products and services, potential enhancements for products and services and new target markets, and for communication with customers and suppliers. Three-phase power should be available in rural areas to allow the establishment and expansion of manufacturing and processing operations by enabling the use of new technologies and more efficient production equipment.

#### **7.4.2 Provide More Training Opportunities**

There was a general consensus that the eligibility criteria around funding available for training needed to be adjusted. Businesses indicated that there are opportunities in some rural businesses for youth who have not completed high school if some assistance could be provided for wages to give the business the opportunity to train them on the job. It is costly for businesses to have employees on the payroll who are not fully skilled or trained and a wage subsidy would allow for some flexibility in hiring. The other area of challenge is accessing funding to upgrade the skills of existing employees to adapt to new technologies and new methods of producing products or providing services.

#### **7.4.3 Attract People to Live in Eastern PEI**

The Eastern Region felt that they had a lot to offer in terms of quality of life, beauty of the region and services available. They indicated that opportunities existed to repatriate youth who had left the region for education and employment, retirees, immigrants and government employees who have their jobs relocated as part of the government decentralization initiative.

A population strategy is required for the Eastern Region and should include goals and strategies for attracting these target groups as well as retention of current residents. This strategy should also be communicated to the general population as they would have networks of family members and other connections in other locations to draw people to Eastern Region.

#### **7.4.4 Support the Ferry Service**

The contract for ferry service at Wood Islands to the mainland is pending in the near future and as well there is a need for the replacement of the “Holiday Island Ferry” due to its age and maintenance requirements. The ferry service is a very important connection to the Eastern rural area of the province. It serves as a tourism draw for the area and allows for shipment of goods and services off Island.

The Magdalen Islands ferry to Souris provides an opportunity for tourism product development and marketing. There is an untapped market for touring from those utilizing the ferry service as well as a captive audience aboard the ferry for marketing various product and service offerings. Current obstacles such as lack of French signage and French language capability of operators in the area were identified. Support is required for development and implementation of a strategy to maximize opportunities from the Magdalen Island Ferry service.



## **7.4.5 Increase Experience Based Tourism Product**

It is a well known fact that the appeal of PEI as a vacation destination is the scenic rural landscape with open expanses of land, forests and small fishing villages. Many of these visitors drawn by this scenic beauty also want to experience the Island way of life. Experience based tourism was also identified as one of six key themes of visitation motivators that emerged from tourism research. A large number of opportunities exist in the Eastern Region for experience based tourism product:

- Tours (Pinette Raceway, Orwell Corner, Spirits – Rollo Bay Distillery, Rossignal Winery, lighthouses, harbours and marinas, bird-watching – on a migratory flight path)
- Small cruise ships (Georgetown and Souris ports)
- Unique food experiences

In addition to product development assistance (financial and expertise) in experience based tourism operators require assistance in dealing with one of the largest hurdle to pursuing this avenue of tourism product offering which is acquisition of adequate cost-effective liability insurance. There is a need for human resources in the region that has the time and expertise to focus on the area of tourism product development.

## **7.4.6 Support Specific Private Sector Projects**

### ***7.4.6.1 Atlantic Soy Corporation Expansion***

Atlantic Soy Corporation (ASC) would like to establish a processing facility for the production of genetically modified organism (GMO) free soy screenings product made from high protein identity preserved soybeans. New equipment will be required as will the addition of three-phase power. Estimated capital costs to undertake the project are \$1 to \$1.5 million. A number of markets for the soy screenings (soy meal and soy oil) have been identified such as livestock feed additives and cooking oil for processed products that are required to be GMO free. The project will add further financial stability to both ASC and the farms which supply the raw product, as with increased financial stability and additional value ASC will be able to return a higher value to the suppliers of raw product, PEI farmers. It is anticipated that the new project will help maintain five existing jobs and create three to four new jobs on site as well as create two new positions in transportation. ASC contracts from 70 growers across PEI from North Lake to Alberton.

### ***7.4.6.2 Hotel in Montague***

There is strong community support for a hotel in Montague. Businesses in surrounding areas indicated they currently have no place for potential customers to stay when they are here to visit their operation. Others commented on the fact that they are unable to complete for convention business or major sports events due to the lack of accommodations. It was also mentioned that a hotel would complement the new wellness centre being developed in the area.



#### **7.4.6.3 Blueberry Processing**

Over 50% of the harvested blueberries on PEI are shipped off the Island to Nova Scotia for processing. There is a vacant building outside of Montague which was an old tobacco plant that could potentially be converted to a receiving, grading and freezing plant.

#### **7.4.6.4 Apartment Building**

A private sector entrepreneur, George Matheson, indicated that he is exploring the feasibility of a 12-Unit apartment building in Montague with underground parking and an elevator.

#### **7.4.6.5 PEI Organic Fruit & Berries Ltd.**

PEI Organic Fruit & Berries Ltd., established in 2007-08 is a thriving innovator in the organic and traditional industry, and in research and marketing. The company has not participated in any exporting activities to date; however they are export ready. The company recognizes the importance of research to their business and will designate resources over the next number of years to insure innovation and being leading edge in the area of agriculture sustainability.

### **7.4.7 Develop a Strategy for Management of Government Land**

In Eastern PEI there is a vast amount of government owned land with a large portion being wooded. This provides an opportunity for exploring the potential for tourism activities around birding and environmental tourism and for other opportunities such as sustainable forestry or the establishment of a wood pellet plant as a regional cooperative.

A strategy for management of the government owned land in Eastern PEI should be developed with a view towards maximizing economic opportunity for the region.

### **7.4.8 Support Montague South Side Development**

There was considerable interest in development of the south side of the bridge in the town of Montague. A recommendation from the round-table sessions as well as an earlier report “Town of Montague – Plans and Incentives – Downtown Redevelopment” to proceed with the installation of a pedestrian bridge connecting the North and South sides of the waterfront to encourage traffic flow to the south side of the bridge. One resident in the research for the “Town of Montague – Plans and Incentives – Downtown Redevelopment” commented “In my lifetime there have been 21 businesses that have either left the south side of town for the north side or have gone out of business. The south side will die without some pedestrian connection to the north side.” Other aspects of the south side development included:

- Continue the walking trail up along the south side of the bridge towards Sutherland’s Hole. It is beautiful along there and it would encourage people to explore the entire area including the south side of the bridge.



- Develop a Farmer’s Market on the waterfront as a regional hub for local food, local labor, and local craft products

#### **7.4.9 Support Souris Waterfront Development Projects**

A Waterfront Master Plan for the Souris Harbour has been completed identifying a number of economic development initiatives to stimulate waterfront industrial, commercial and tourism developments. These new projects will require also require government investment. Projects identified include:

- A community wind farm or other bio-energy alternatives for high energy user businesses in close proximity to the Port.
- Souris Beach – potential for establishment of a sailing school, kayak tours, a boardwalk and viewing tower.
- Souris lighthouse enhancement for tourism potential.
- CTMA terminal expansion with an improved and formal location for transport trailer storage and parking.
- Marina services such as winter storage and maintenance facilities and opportunities for marketing the marina to mega-yachts.
- Potential future location for the Coast Guard expansions and relocation of the marina.
- One of the best salt water wells on PEI provides an attractive opportunity for fisheries and aquaculture research or commercial growing facilities.
- Bio-Fuel Energy at Souris Food Park.
- Short Sea Shipping.

#### **7.4.10 Explore Opportunities for Population and Employment Growth**

The Eastern Region is interested in growing their population base and would like to see government offices in addition to the Provincial Department of Fisheries decentralize or establish in the region. Opportunities such as a Canadian Passport Office, relocation of the Canadian Coast Guard and decentralization of employees for the labour market development and labour market agreements as a result of its devolution from the Federal to Provincial government were identified.

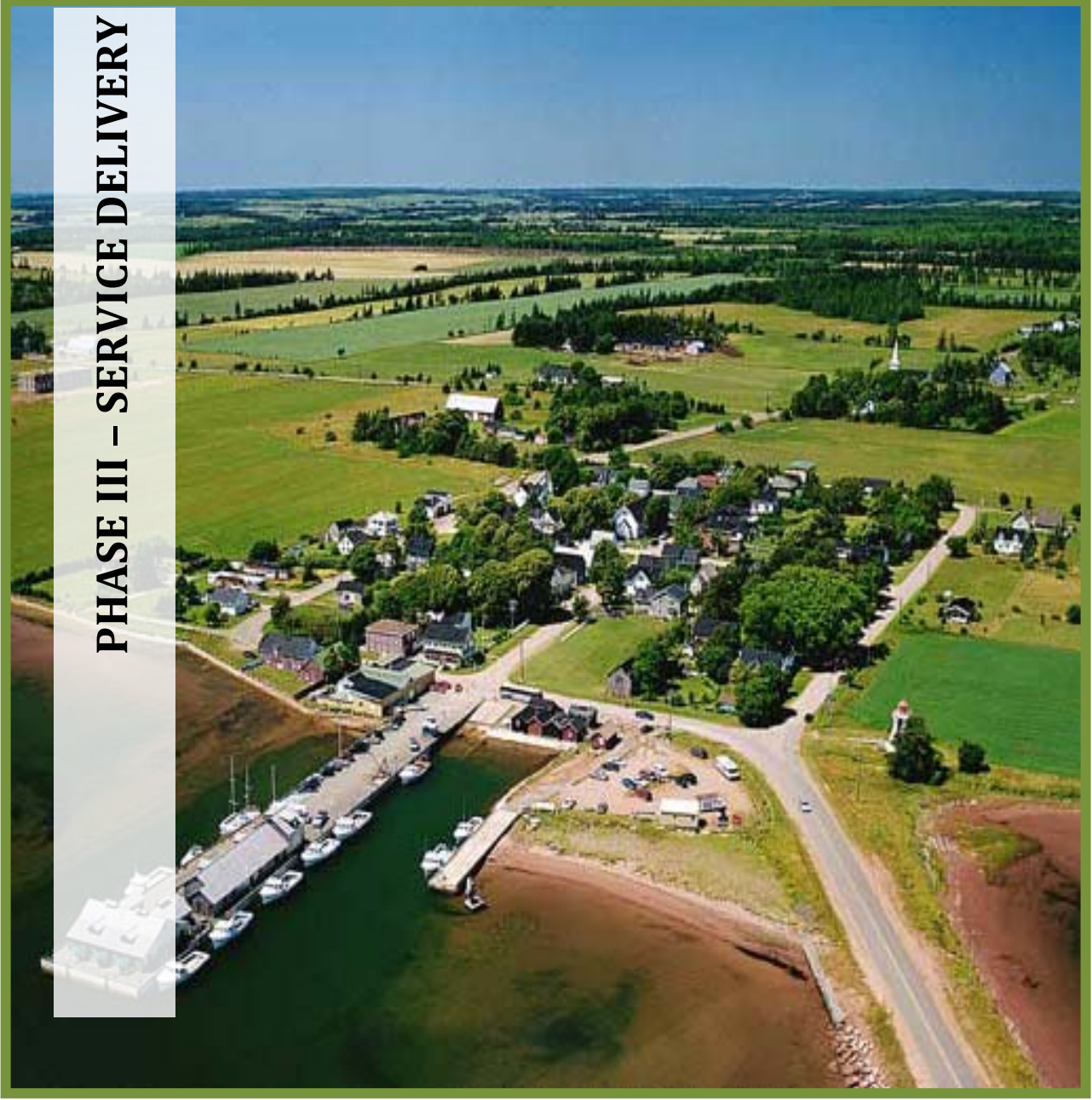


## 8.0 CRITERIA FOR EVALUATION OF OPPORTUNITIES

The preceding section identified numerous projects and initiatives that could be pursued in Rural PEI to assist the regions with strengthening not only the local regional economy but to PEI as a province. In order to prioritize and rank initiatives it is essential that criteria be established for evaluation of opportunities. These criteria were developed taking into account the stated strategic direction of the Federal and Provincial Governments in economic development and input received from individuals who live in and operate businesses or champion community initiatives in Rural PEI.

7. Projects first and foremost must be sustainable and economically viable.
8. Projects must provide an economic benefit to Rural PEI through job creation, maintenance of existing direct and indirect jobs, and enhancement of existing employment opportunities or by strengthening community infrastructure to improve the community's economic development capacity.
9. Projects must demonstrate that a strong management team or champion exists to drive the project forward and achieve success.
10. Projects should be supported by the local community and take advantage of existing strengths and assets in the region.
11. Projects should demonstrate the potential to leverage other investment from the private sector and other levels of government.
12. Projects should build critical mass in strategic sectors.

**PHASE III – SERVICE DELIVERY**





## **9.0 ASSESSMENT OF CURRENT SERVICE DELIVERY MECHANISMS**

Phase III of the engagement focused on the service delivery of economic development in Rural PEI. The managers of each of the REDOs and their Boards were asked to define their role and how they would measure success for their organization. Each of the REDOs has a primary focus on community economic development with different levels of involvement in business development. REDOs are one of many types of organizations serving Rural PEI. As part of this phase key informant interviews were completed with fourteen different representatives from government and government funded organizations providing services in Rural PEI to identify potential duplication or gaps in service delivery.

### **9.1 Resources West**

Resources West is a regional economic development agency tasked with stimulating the economy of Western PEI. Resources West serves Western PEI encompassing North Cape to the area north and west of Harmony and Northam Roads and is governed by representation of the five community development areas of Tyne Valley; Tignish; St. Louis-Miminegash; Alberton; and O'Leary. Members of the board represent Agri-business, Fisheries, Tourism and Business Services.

#### **9.1.1 Resources West - Stated Mandate**

Resources West website states as their mission statement “To actively promote and foster sustainable growth, economic prosperity and development in Western PEI by providing a unique, value added service to business, residents and targeted clients.” In order to complete its mission, Resources West is involved in the following activities:

- Entrepreneurial development and training
- Community planning and support
- Project management
- Business consultation and support
- Research and development

#### **9.1.2 Resources West - Perceived Role**

A session was facilitated to receive input from the Board members regarding the role of Resources West. The discussion was guided by presenting a number of categories that various community economic development organizations are involved in throughout the Atlantic region. Input provided during the session is included in Figure 24.



**Figure 24 - Board Input on Role of Resources West**

Assisting communities with planning and development of strategies	<ul style="list-style-type: none"> <li>• Reactive rather than proactive role as they feel that the ideas need to be generated from the communities rather than imposed from the top down.</li> <li>• See a role for the organization in communicating with communities to make them aware of the services the REDO can provide.</li> </ul>
Project management of community projects	<ul style="list-style-type: none"> <li>• Seen as a major role for the organization with the level of project management required varying by project size and community capacity.</li> <li>• No written criteria for deciding on their project management level of involvement.</li> <li>• Projects &gt; \$100,000 they will manage implementation.</li> </ul>
Community volunteer skills capacity building	<ul style="list-style-type: none"> <li>• The Board did not see as a priority or role for the organization.</li> <li>• Indicated community volunteers have not been looking for this and as well they want community groups coming to them for services.</li> </ul>
Coordinating and facilitating funding for research	<ul style="list-style-type: none"> <li>• Identifying challenges and issues affecting the Region which need to be researched has and needs to be a role for Resources West.</li> </ul>
Creating business infrastructure	<ul style="list-style-type: none"> <li>• Not a primary role but will do on a one off basis, where warranted.</li> <li>• Want to remain more service based but will fill a gap if needed.</li> </ul>
Business counselling	<ul style="list-style-type: none"> <li>• Provide self-employment benefit program.</li> <li>• Not a priority to deliver to private companies as offered by other organizations.</li> </ul>
Information dissemination	<ul style="list-style-type: none"> <li>• Have the community development knowledge so see it as a role to community groups.</li> <li>• On business side will provide what knowledge they have when asked but don't have all the knowledge required on that side.</li> </ul>
Assess to professional expertise roster	<ul style="list-style-type: none"> <li>• Naturally part of project management role but not role outside of projects they are managing.</li> </ul>
Training to businesses	<ul style="list-style-type: none"> <li>• Role is to provide a coordination role in organizing training and making businesses aware of opportunities.</li> </ul>
Delivery of business related programs	<ul style="list-style-type: none"> <li>• See this role as a good fit for the organization.</li> <li>• These programs can often be of benefit to Community Groups as well.</li> </ul>
Administrative support	<ul style="list-style-type: none"> <li>• Provide meeting space and administrative services to groups such as Chamber.</li> </ul>
Regional representation on Boards	<ul style="list-style-type: none"> <li>• Representing the interests of the Region on the Boards of various organizations is seen as a role of the REDO.</li> </ul>



## 9.2 Central Development Corporation

Central Development Corporation (CDC) is tasked with facilitating community and economic development across the Central Region of PEI.

Central Development Corporation serves Central PEI. It extends east of Summerside (Wilmot Valley) to west of Cornwall and is bound by the Gulf of St. Lawrence and Northumberland Strait on the North and South respectively. The area is comprised of twenty eight incorporated municipalities and one town (Kensington). The affairs of the corporation are managed by a Board of Directors numbering not less than eight and not more than twelve. All directors shall reside within Electoral Districts 8, 9, 15, 17, 18, 19 or 20 and shall be filled according to sectoral representation with the Agricultural, Fishing, Tourism and Manufacturing sectors having priority. Other sectors that shall be considered include: Professional, Retail, Education and Construction.

### 9.2.1 Central Development Corporation - Stated Mandate

CDC's mission states that CDC will work in partnership with communities and businesses to build a stronger economy in Central, PEI. This will be achieved through leadership in business development, community development and infrastructure development. The organization has three priority areas:

- Community Development - to work in partnership with community based organizations to plan and develop sustainable initiatives, which will strengthen the community
- Business Development (entrepreneurial education, industry support, promotion of the region as a viable business investment option, business counseling) – to provide information, resources and opportunities which will support new and existing business growth in the region, and
- Infrastructure Development (existing assets include Borden-Carleton Business Park, Borden-Carleton Industrial Mall, East Prince Holdings, Hurds Point Campground, Kensington Enterprise Centre) – to promote the establishment of infrastructure which will enable business and community growth in the Central Region of PEI.

### 9.2.2 Central Development Corporation - Perceived Role

A session was facilitated to receive input from the Board members regarding the role of Central Development Corporation. The discussion was guided by presenting a number of categories that various community economic development organizations are involved in throughout the Atlantic region. Input provided during the session is included in Figure 25.



**Figure 25 - Board Input on Role of Central Development Corporation**





### **9.3 Active Communities Inc.**

Active Communities Inc. (ACI) is a non-profit organization geared toward community development and business development. ACI has responsibility for the area east of Charlottetown with members of the board selected to meet fair geographical, gender, occupational, industry and sectoral distribution.

#### **9.3.1 Active Communities Inc. - Stated Mandate**

ACI works closely with private and public sector partners to assess local challenges and to look at new ideas and opportunities that could strengthen the economies of Eastern PEI communities. In consideration of the unique circumstances of their local area, ACI assists in planning and helping to implement development strategies that are designed to build brighter futures for the communities within Eastern PEI. As part of their mandate, ACI plays an active role in the establishment of new businesses and in the expansion and modernization of existing operations in Eastern PEI. ACI assists small and medium sized businesses through the provision of advice, training and financing as an affiliate of Atlantic and National Community Business Development Corporations. They help to develop the local economy through the creation of private sector employment. To accomplish these objectives, they offer assistance through the following programs:

- Business loan program
- Seed capital program
- Young millionaire program
- Self-employ PEI program

#### **9.3.2 Active Communities Inc. - Perceived Role**

A session was facilitated to receive input from the Board members regarding the role of Active Communities Inc. The discussion was guided by presenting a number of categories that various community economic development organizations are involved in throughout the Atlantic region. Input provided during the session is included in Figure 26.



**Figure 26 - Board Input on Role of Active Communities Inc.**

Assisting communities with planning and development of strategies	<ul style="list-style-type: none"> <li>•Not indicated as a role.</li> </ul>
Project management of community projects	<ul style="list-style-type: none"> <li>•Key role for ACI on community projects.</li> </ul>
Community volunteer skills capacity building	<ul style="list-style-type: none"> <li>•There is a need for this but don't currently have the resources to provide.</li> <li>•Need more training to engage community volunteers.</li> </ul>
Coordinating and facilitating funding for research	<ul style="list-style-type: none"> <li>•This could be a role for the organization .</li> </ul>
Creating business infrastructure	<ul style="list-style-type: none"> <li>•A role for the organization. There is a need to make communities business friendly with a focus on providing infrastructure for year round operations.</li> </ul>
Business counselling	<ul style="list-style-type: none"> <li>•Indicated it was not a responsibility of ACI but something they should look at. Some is done through the self-employment program but only to clients of that program.</li> <li>•Could do more with more resources.</li> </ul>
Information dissemination	<ul style="list-style-type: none"> <li>•Have to have a system so information is tailored to the business it is provided to.</li> <li>•There is a need for relevant information to be provided to businesses/communities, however it is a big job. ACI could do it but don't currently have the resources. Government should have people in regions and promote that they are there to provide this service.</li> </ul>
Assess to professional expertise roster	<ul style="list-style-type: none"> <li>•ACI does not currently but could provide a roster of contacts.</li> </ul>
Training to businesses	<ul style="list-style-type: none"> <li>•ACI does not deliver training but partners with others such as ProfitLearn to coordinate and market training for business.</li> </ul>
Delivery of business related programs	<ul style="list-style-type: none"> <li>•If needed to get federal and provincial programs to end user.</li> <li>•See a role around entrepreneurship development for youth</li> <li>•Deliver self-employment program.</li> </ul>

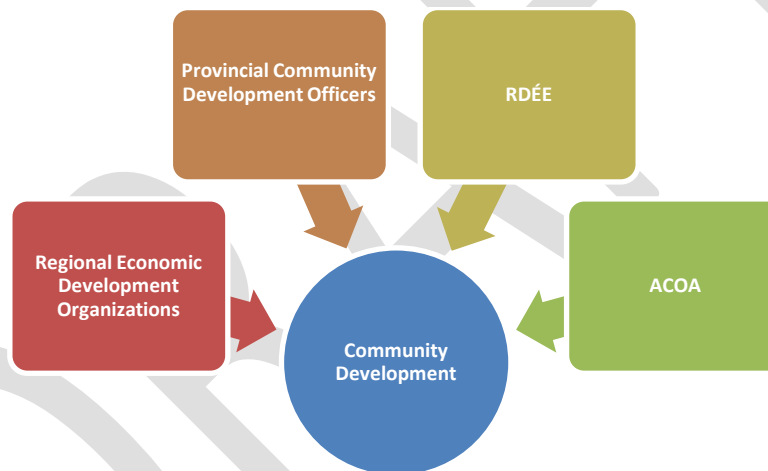


## 9.4 Organizations Serving the Rural Areas of PEI

Key informant interviews with various organizations providing service delivery in Rural PEI highlight the fact that there are numerous federal and provincial government departments and funded organizations providing services to community groups and businesses. “A Survey of Rural PEI Businesses Regarding Awareness and Use of Federal Provincial Government Programs and Services 2009” suggested that there was a general lack of awareness amongst rural businesses with regards to government sources of funding and financing, business advisory services and other support. Fifty-one percent (51%) of respondents were not aware of any source of government funding or financing for rural businesses in PEI. Seventy percent (70%) of the respondents were not aware of any government source of business advisory services and eighty-eight percent (88%) were not aware of any other government supports in Rural PEI.

### 9.4.1 Organizations Providing Community Development Support

Figure 27 - Organizations Providing Community Development Support in Rural PEI



Regional Economic Development Organizations include Resources West serving Western PEI, La Société de Développement de la Baie Acadienne serving from Baglole Road to Slemon Park and includes the Evangeline Region (both Francophone and Anglophone clients), Central Development Corporation serving Central PEI and Active Communities Inc. serving Eastern PEI.

Provincial Community Development Officers fall under the mandate of the Department of Fisheries, Aquaculture and Rural Development. These Community Development Officers work across the Province to assist communities identify their needs and priorities and to encourage citizens to help their communities grow and prosper. There are six regions across the province each represented with a Community Development Officer.



The regions are as follows:

- Eastern Kings
- Southern Kings
- Rural Queens
- East Prince
- Evangeline
- West Prince

The RDÉE Île-du-Prince-Édouard is a francophone entrepreneurial and community economic development network serving the Island's Acadian and francophone communities. La société de Développement de la Baie acadienne is the delegated organization for RDÉE in PEI. RDÉE also partners with various Anglophone development agencies such as RW, ACI and CDC to help them serve francophone clients in French. The organization has officers with responsibility for the following regions:

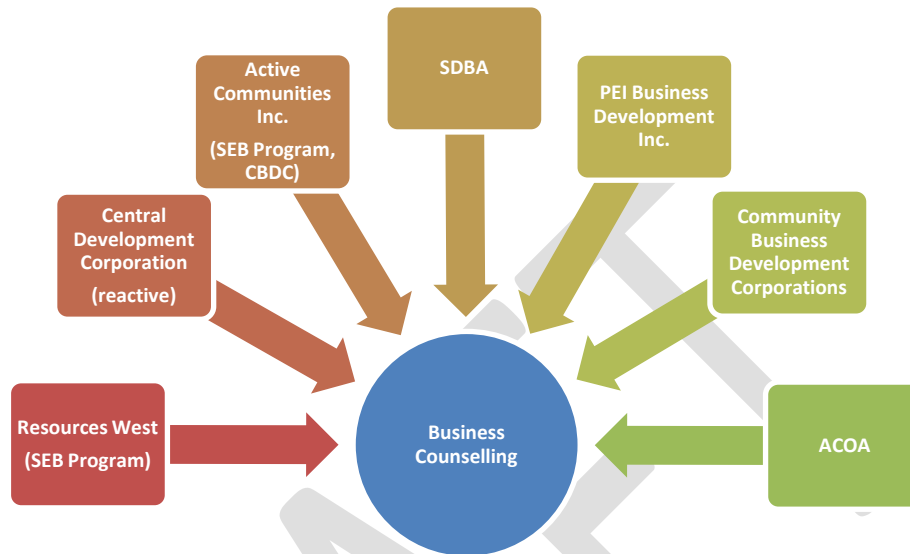
- West Prince
- Evangeline
- Summerside
- Rustico
- Charlottetown
- Kings

The Atlantic Canada Opportunities Agency works with business and communities to make Atlantic Canada's economy more innovative, productive and competitive.



## 9.4.2 Organizations Providing Business Counselling

Figure 28 - Organizations Providing Business Counselling in Rural PEI



Resources West’s primary mandate is community economic development, however they also provide entrepreneurial development and training, businesses consultation and support and the self-employment benefit program. Staff have indicated that although business counselling is not part of their primary mandate they are not going to turn businesses away who need support and can assist in growing that region of the province. Of note is the fact that in all other regions of the province the self-employment benefit program is delivered by the Community Business Development Corporations (CBDC’s). West Prince Ventures, the local CBDC has indicated that they are the only CBDC out of a network of 41 that does not deliver this program.

Central Development Corporation does not provide business counselling as a primary activity however for the 2008-2009 year their annual report indicates that they provided business information and counselling for 47 clients with services ranging from in-depth business plan assistance to referrals for programming and specific business information sources.

Active Communities Inc. has a mandate for provision of business counselling services through its inclusion of the CBDC within its responsibility; however through discussions it appears that counselling is limited to clients of the self-employment benefit program.

The SBDA does provide some business counselling services and at one point RDÉE Île-du-Prince-Édouard did receive some funding for a one year period to provide business counselling services and during that year served over 70 clients.



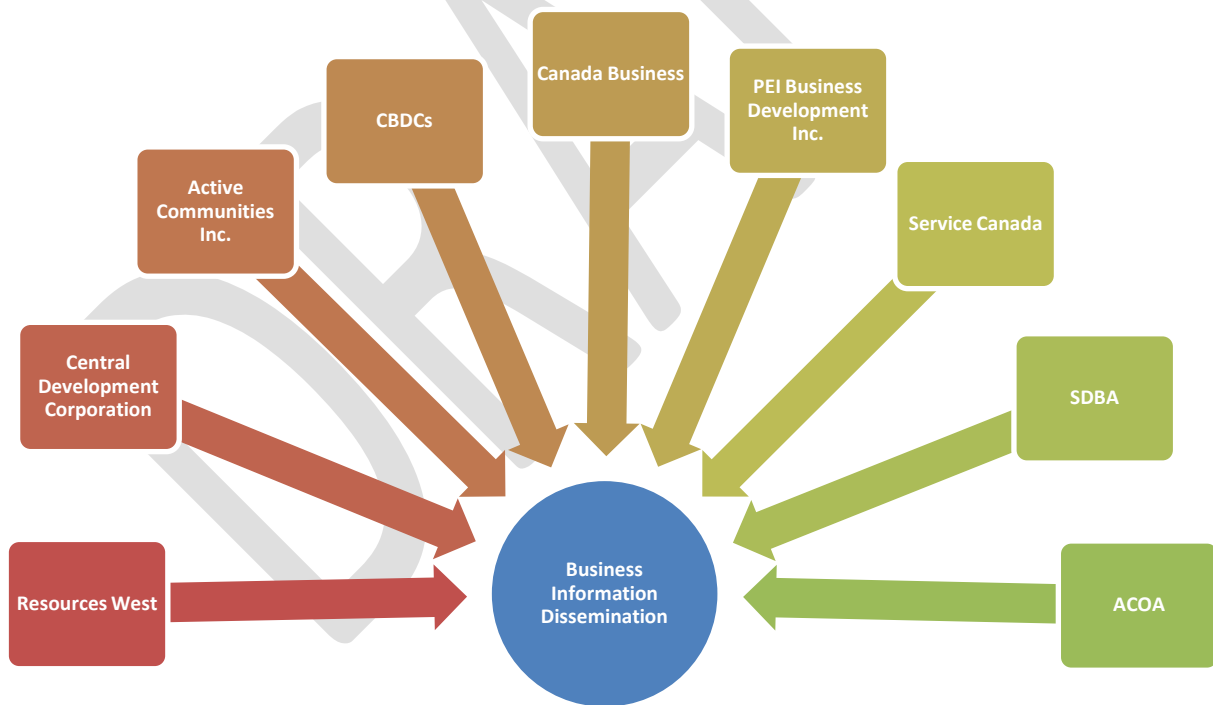
PEI Business Development Inc.'s client service team provides free one-on-one counselling services to starting or expanding businesses on Prince Edward Island. Each county of the province has a business development officer representing the territory.

Community Business Development Corporations have as part of their mandate providing counselling services to small businesses. Although their mandate is for any business most counselling is done with lending clients.

The Atlantic Canada Opportunities Agency works with business and communities to make Atlantic Canada's economy more innovative, productive and competitive. ACOA will provide advice to new and expanding businesses in PEI.

### 9.4.3 Organizations Providing Business Information Dissemination

Figure 29 - Organizations Providing Business Information Dissemination in Rural PEI



Many organizations are providing some information to business operators; however in many cases it is limited to readily known information or information regarding their own programs. Results of the survey of rural businesses “A Survey of Rural PEI Businesses Regarding Awareness and Use of Federal Provincial



Government Programs and Services 2009" indicate that establishing a single point of contact or one stop approach to improve awareness about available sources of funding and financing, business advisory services and other support would be beneficial to the business community in Rural PEI.

Disseminating business information is not a primary role of Regional Economic Development Organizations such as Resources West, Central Development Corporation, Active Communities Inc. or La société de Développement de la Baie acadienne however where they have the knowledge and are asked by business owners they will provide this service. Community Business Development Corporations will provide the information they have on hand however they do not have the resources to ensure that they are aware of all sources of funding and financing.

Canada Business has a mandate to help businesses access information on federal, provincial and municipal programs and services relevant to their needs. Information on federal programs is managed from Ottawa and updated on a continuous basis while they have to input provincial and municipal program information and do not always receive on a timely basis. They also have access to a number of databases (licensed and unlicensed) that can serve as a source of market research for businesses. These services are available to all businesses on PEI but they are only located in Charlottetown with no outreach activities.

PEI Business Development and ACOA staff will provide information to clients on their own programs and referral to other contacts for other programs they are aware of. Although Service Canada was reported as a provider of information on funding sources for businesses we were not able to determine what services they actually provide to businesses. The RDÉE provides information to Acadian and/or francophone businesses in PEI.

## **9.5 Gaps in Products and Service Delivery in Rural PEI**

Rural PEI businesses realize that they need to be more competitive and innovative but have several challenges that they need to address to achieve this goal. Key informant interviews with various organizations providing service delivery in Rural PEI highlight the fact that there are numerous federal and provincial government departments and funded organizations providing services to community groups and businesses; however there are still some gaps in product and service delivery. Elimination of these gaps will assist Rural PEI businesses in becoming more competitive and innovative and assisting communities in pursuing economic development opportunities. Gaps identified by service providers include:

- No structured forum for sharing of information amongst service providers and ultimately on to the business owner results in business owners not being able to take advantage of all available programs and services.
- Majority of government office in Charlottetown or Summerside thus limited opportunities for Rural business owners to make contact with government decision makers.



- No focus on business prospecting for rural areas.
- Business libraries in rural areas are limited and not updated regularly.
- Lack of mentoring and support for businesses in rural areas. Although many service deliverers attempt to offer this service most report they do not have resources to deliver properly. There is also a lack of funding to assist businesses in accessing professional consulting expertise.
- Access to financing can be a challenge – both operating lines and equity financing.
- Resources to provide training dollars are not always available on a consistent basis. Training/education opportunities are not always available in rural areas so more costly in terms of both time and travel.
- Community groups do not always have the volunteer capacity to do strategic planning, set realistic goals and objectives, establish measurement criteria, and/or to do effective marketing and promotion. Without this capacity it is more difficult to obtain project funding.
- Resources exist to assist communities and volunteers with implementation of community projects however no resources or process exists to assist community volunteers once the project is operational.

## 9.6 Duplication in Products and Service Delivery in Rural PEI

There are a number of organizations serving Rural PEI, however on a closer examination of these organizations it does not appear that products and services are necessarily being duplicated. The biggest challenge is that individuals, business representatives and community volunteers are not aware of the existence of some of the organizations or of their roles. It is also the case that some organization representatives are not aware of the roles of other organizations. This results in business representatives and/or community volunteers becoming frustrated with having to go through several contacts before reaching the appropriate individual. In addition in the area of business counselling although several organizations provide this service (i.e. CBDC's, PEIBDI, REDO's) each is tailoring it to their specific client base or only providing where they are specifically approached by a client who does not know who they should go to. Many organizations will provide the information they are aware of even if it is outside their mandate and their information is not complete. This may give the appearance of duplication of projects and service delivery in rural areas.



## 10.0 BEST PRACTICES AND CHALLENGES FOR REGIONAL ECONOMIC DEVELOPMENT

A literature review was conducted of several studies that have been conducted around rural economic development to identify best practices and challenges for regional economic development. A March, 2008 study “A Review of Rural and Regional Development Policies and Programs” conducted by Canadian Policy Research Network (CPRN) on behalf of the Newfoundland and Labrador Federation of Labour was commissioned to help inform and address the growing geographic divide in the Newfoundland Labour market. CPRN examined policies for rural and regional development in Canada at both the federal and provincial levels, along with several international jurisdictions. From those reviews of existing programs, CPRN highlighted several lessons learned from their research including:

- Traditional approaches to regional development are insufficient for meeting today’s challenges of rural and regional development.
- Success comes from more community involvement and involvement of local citizens that build on local assets and resources.
- Effective governance is required.
- Strategic investment in people, communities, local asset building and technology can make a difference.
- A full range of policy instruments are needed (including financial assistance).
- Effective partnerships are essential.
- Strategic planning involving government, business, labor, institutions and others is important.

The report concluded that development policies are evolving as the economic, social and demographic conditions change.

Of note Newfoundland and Labrador is establishing a new performance based funding framework for Regional Economic Development Boards (REDBs) based on their five core functions.

1. Develop and coordinate the implementation of a strategic economic plan in the zone supported by an integrated business plan.
2. Develop a strong partnership with municipalities in the zone that incorporates the strategies and priorities of municipalities in the economic planning process.
3. Develop partnerships in planning and implementation with Chambers of Commerce, Industry Associations, labour organizations, post-secondary institutions, CBDCs, and other zones that advance and support the economic and entrepreneurial environment of a zone.
4. Undertake capacity building and provide support to stakeholders to strengthen the economic environment of the zone.
5. Coordinate and facilitate linkage with federal/provincial government departments and agencies in support of the strategic economic plan.



As a basic principle of operations, REDBs will not be involved in activities having a competitive impact on the public or private sector. The model will facilitate better opportunity identification and prioritization processes within REDBs. REDBs can receive up to three types of funding; base funding, performance funding and municipal match funds. It is expected that municipalities will contribute to the REDBs and this incremental funding will be matched by the other funding partners. The performance based funding framework will provide a mechanism that allows for targeted feedback on REDB’s activities. Key performance indicators have been identified for each core function and targets and units of measure have been developed for each key performance indicator.

An internal ACOA document “Community Economic Development Capacity Gaps in Atlantic Canada”, released in December 2006 reviewed ACOA’s current approach to both rural and urban community economic development. The report identified ways of measuring a community’s economic development capacity and identified common community economic development gaps as planning, funding, limited volunteer base, out-migration of youth, communications and coordination. The number one success factor for rural community economic development was identified as leadership, either in the form of committee individuals, groups or a paid community economic development manager. Other key success factors are shown in Figure 30.

**Figure 30 - Key Success Factors for Creating Community Economic Development Capacity**





“Regional Development and Urbanization in Atlantic Canada: Shifting Contexts and Strategic Directions for ACOA” prepared for ACOA in April, 2007 by Kimberly Buckle looks at the urbanization trend in Atlantic Canada and how this trend impacts ACOA. The study determines that the economic performance of the Atlantic region will be heavily influenced by how successfully Atlantic Canada can maximize its human resource talents and attract more people from around the world due to its aging population and less than national average immigration numbers.

“National Reporting from Canada to the United Nations Commission on Sustainable Development” in regards to rural development identifies challenges and key issues as follows:

- Youth out-migration continues to be a trend so many programs strive to reverse this trend in rural areas.
- The importance of infrastructure to rural development.
- The importance of broadband service to rural Canada was also highlighted as a move that is bringing more equal opportunities to rural development.
- Goals of the government of Canada that benefit rural development include the ecoEnergy of renewable power program.
- The study also pointed out the growing popularity of eco-tourism and eco-tourism experiences such as agricultural tourism experiences.

“Engaging Communities in Support of Local Development” a study to measure the effects of the Community Employment Innovation Project on communities was conducted in 2008 by Social Research and Demonstration Corporation. The Community Employment Innovation Project was jointly funded by Human Resources and Social Development Canada and the Nova Scotia Department of Community Services and was a research and demonstration project testing an alternative form of income transfer payments in six communities in Cape Breton. Up to 750 unemployed individuals were offered the opportunity to exchange their entitlements to Employment Insurance and Income Assistance for three years work on projects developed by the six communities. This particular report examined the impact on communities and not the impact on the individuals employed on the projects. Some of the conclusions coming out of the evaluation of the project were:

- Communities improved capacity for planning and carrying out their plans,
- Residents were better able to preserve social capital and there were improvements to social cohesion and inclusion of residents in local community life,
- Improvements on several additional social indicators, particularly for youth and seniors, and
- It was difficult to reliably link changes in local market conditions with the project.



A policy brief from Carsey Institute, University of New Hampshire, “Measures and Methods: Four Tenets for Rural Economic Development in the New Economy” offers four tenets for rethinking methods and measures that promote effective economic development in the twenty-first century.

1. **Innovation** is key to driving growth and prosperity in today’s global economy.
2. Significant capital **investments** are required to put innovations to use.
3. Development efforts must seek to **protect** valuable natural assets.
4. Development is a “contact sport,” best pursued through dense networks of personal **contacts**.

Rural communities that have successfully transformed their economies amid the challenges of lost factories and farms are mainly places with economic bases in retirement, recreation and trade centers and those near urban areas. Agri-tourism, heritage tourism, and eco-tourism are all popular economic development strategies in rural areas where the natural environment is the greatest distinguishing feature. The article indicates that there is no single recipe for prosperity and that for any rural area to compete in the global economy, its development methods must explicitly address each of the four pillars; innovation, investment, preservation and connections. Jobs, wealth and prosperity must be built on innovations and investments – while valuing community connections and efforts to nurture the natural environment. The article goes on to say that today, a community’s economic prospects depend on a flexible, well-trained workforce, access to technology and capital, cultural and natural amenities, and a strong civic infrastructure, including relationships that foster problem-solving and collective action within the community and greater region. The four tenets, further detailed in Figure 31, can serve as a good guide for rural economic development.



Figure 31 - Four Tenets for Rural Economic Development in the New Economy

Four Tenets for Rural Economic Development in the New Economy			
<p><b>Increases in Innovation</b></p> <ul style="list-style-type: none"> <li>• Entire nations are betting their future on policies that promise wealth from educating, attracting and retaining citizens who are able to work smarter and learn faster.</li> <li>• Developers must assist existing enterprises to differentiate their products through product design, production speed, logistics, the end-user experience or superior marketing.</li> <li>• Strategies must include business incubators, organized industry networks, and brokers between the businesses and technical assistance.</li> <li>• Communities must build the organizational capacity of education and training institutions, provide opportunities for on-the-job training and foster mentoring at all levels.</li> <li>• Residents must also have access to technology.</li> </ul>	<p><b>Investment in People, Products and Places</b></p> <ul style="list-style-type: none"> <li>• For a community to be competitive it needs capital to support innovators, to invest in community infrastructure.</li> <li>• Private capital markets and traditional financial services often do not adequately meet the needs of rural areas, as a result local developers must provide incentives for private financing or create new sources of capital such as tax credits and public venture funds.</li> </ul>	<p><b>Preservation</b></p> <ul style="list-style-type: none"> <li>• Quality of life factors are increasingly important for stimulating private investment and creating jobs and wealth.</li> <li>• Creative local development might involve investing in projects that preserve and connect natural areas like greenways, waterways, wildlife habitats, parks and open spaces in ways that support a community's quality of life.</li> </ul>	<p><b>Connections</b></p> <ul style="list-style-type: none"> <li>• Social connections, often missing from economic development strategies refer to relations among individuals, organizations, communities and other social units that result in tangible economic benefits.</li> <li>• People in communities endowed with a rich stock of social networks are in a stronger position to "develop the capacity to address the problems of poverty, to rebuild their communities, and to achieve a measure of control over their lives."</li> <li>• The geography of rural places provides unique challenges in creating and maintaining these dense social networks. Thus, the emphasis on social connections in rural places must be on linking people, businesses, and institutions to wider regional economic networks and opportunities.</li> <li>• In today's highly competitive global economy, rural communities will achieve more when they pool resources, identify common assets, and work together to develop the regional economy.</li> </ul>



Examples of innovative approaches to funding community development include:

- *Scotland's Lotto Fund*<sup>7</sup>: Scotland's investing in Communities Program uses lottery revenues to fund communities acquiring assets that make communities more sustainable, including land and buildings. Funds can be used to purchase or develop assets, help diversify the local economy and provide or improve local services. In Prince Edward Island, the provincial government's revenue from the Atlantic Lotto Corporation averages over \$15 million annually.
- *Norway's Land and Resource Ownership System*: A legal framework that enables local control and access to the resource base and protects local benefits from natural resources. In Norway this is most evident in public ownership of hydro power systems. Water is considered a national good. In Prince Edward Island, a comparison could be wind. Finding a way for communities to benefit directly from the growing number of wind energy projects could use Norway as a model.
- *The Rural Economic Development (RED) Program*<sup>8</sup>: RED is a program in Ontario that is an example of a provincial program that assists with the costs of projects that use the power of partnership to create change. The partners might be individuals, businesses, organizations or municipal governments.
- *General Social Programs*: Some rural economic development policies and programs are broad and include urban areas but have significant benefits in rural areas. For example, Quebec's various family policies, such as parental benefits and child care, which are helping to address demographic-related challenges regarding low birth rates, rural out-migration and labor market participation.

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<sup>7</sup> [http://www.biglotteryfund.org.uk/prog\\_investing-in-communities?regioncode=sco](http://www.biglotteryfund.org.uk/prog_investing-in-communities?regioncode=sco)

<sup>8</sup> <http://www.omafr.gov.on.ca/english/rural/red/about.html>



## 11.0 RECOMMENDATIONS

The analysis of findings from key informant interviews, Board sessions, and best practices review have led to recommendations for service delivery in two major categories; achieving efficiency and effectiveness (Section 11.1) and strategies for more competitive and vibrant rural communities (Section 11.2).

### 11.1 Opportunities For Achieving Efficiency And Effectiveness

Although duplication of services was not seen as a major concern in the regions there was input received during the service delivery key informant interviews, from roundtable sessions with business and community leaders, and surveyed businesses with regards to opportunities for achieving efficiency and effectiveness.

#### 1. Provide a Physical Government Presence in Rural PEI.

Rural communities feel they are at a disadvantage to urban areas which have centrally located Provincial and Federal Government delivery agents. More local presence in the region would provide for closer communication with government representatives, increased knowledge of government support programs and services, increased opportunity for networking with government representatives, increased opportunity for government representatives to increase their knowledge of local businesses and eliminate some of the frustration of not knowing who to contact within government and a chain of several contacts before landing at the right person and program.

#### 2. Establish a Single Point of Contact.

*A Survey of Rural PEI Businesses Regarding Awareness and Use of Federal Provincial Government Programs and Services 2009* suggested that there was a general lack of awareness amongst rural businesses with regards to government sources of funding and financing. Fifty percent (50%) of respondents were not aware of any source of government funding or financing for rural businesses in the Central Region. An even larger portion of respondents (88%) had not accessed or were not currently in the process of accessing funding or financing.

There are a number of existing federal and provincial government programs targeted to communities and businesses in rural areas, however the survey results suggest that there is a significant gap in awareness. It would be beneficial for government funders to cooperate on designating and promoting a single point of contact to improve awareness of available sources of funding and financing.



A Regional Centre for Rural Development could provide a one-stop central point for rural business and community groups for information on government funding sources, government contacts and a roster of professional expertise. The Centre could also provide a centralized rural location for hosting of networking opportunities for business people, community representatives, and government representatives (Federal, Provincial, Municipal) serving Rural PEI. It would be necessary for this Centre to be branded and marketed to rural businesses and community groups as a central point for information and services to eliminate the confusion about where to turn to. One option which might reduce confusion and maximize marketing dollars is to have one phone number for all Regional Centres with a selection option based on the region you are located in. It would also be necessary for this Centre to have a joint Federal/Provincial management approach to insure the intended coordination and interaction occurs. A similar approach could be used as is currently in use with Trade Team PEI whereby the Regional Centre for Rural Development becomes a partnership of federal and provincial government departments and agencies that offer assistance to rural businesses and communities. Working in partnership will allow for the coordination and delivery of services providing for the greater benefit of rural businesses and communities. Consideration should be given to working towards process harmonization such as what currently exists with the joint Federal/Provincial Infrastructure Office.

### 3. Facilitate Networking and Sharing Amongst Government Representatives.

Rural businesses have commented that there is a need for more government representatives to be aware of all available programs that could potentially fit their business. Co-location of government representatives and co-hosting of events provides the opportunity for more sharing of information on programs and will reduce the likelihood of gaps or duplication in service delivery to businesses and communities. Another suggested activity for improving collaboration amongst service providers was to reinstate the annual workshop of trade practitioners.

### 4. Encourage Community Engagement and Planning.

Rural communities in PEI, as well as in Atlantic Canada as a whole, lack the communication which could create a sense of unity across the region. Currently, there is no forum or other platform to facilitate interaction and information sharing between rural communities, making it difficult for local leaders to share ideas and best practices as well as to cooperate and implement larger-scale projects. The current reality is that individual rural communities are often unaware of what is happening in other communities, resulting in duplication of initiatives and services. In many countries, such problems have been overcome by establishing virtual networks, e.g. Rural Community Action Network in England. Community stakeholders involved in the development of the “Strategic Plan for Economic Development



Organizations in Rural PEI” have suggested creating a similar web-based portal and/or organizing regular meetings for community leaders to facilitate interaction and information sharing.

Currently most municipalities/communities develop their official plans which usually contain an economic development component, without consultation with the Regional Economic Development Organization or coordination with the regional plan serving their area. The services and expertise that a REDO can provide smaller municipalities (PEI has 63 municipalities with a population of 1,000 or less) without economic development resources is essential to the future development of more vibrant and competitive rural communities.

## 11.2 Strategies for More Competitive and Vibrant Rural Communities

It is clear that rural communities and businesses require an integrated approach to provide the services and support essential for them to overcome current challenges and increase their participation in an ever changing knowledge-based economy. Establishment of a Regional **Centre for Rural Development**, as a central point for PEI’s rural communities and businesses in each of the Rural Regions of Prince Edward Island is key to pursuing sustainable and economically beneficial growth opportunities. The following strategies are recommended to create more competitive and vibrant rural communities in PEI.

### 5. Create a central location for information sharing on government programs and services, contacts and professional expertise.

An information officer(s) located at a Regional Centre for Rural Development should be in close and constant contact with Canada Business to remain up to date on Federal and Provincial sources of government funding. This individual(s) could also interact regularly with resident business and community development officers to remain up to date on the services and expertise available through each individual to ensure the most direct referrals for clients of the Centre.

### 6. Coordinate networking opportunities for community groups and government representatives.

The information officer(s) could also take a proactive role in bringing the information and resources available to the business and community at large by taking part in external networking opportunities such as Chamber events, community meetings, and local exhibitions with information booths and as well coordinate internal networking opportunities similar to the successful Bioscience networking events which feature guest speakers on topics of interest and an open time for networking with other businesses, communities, professionals and government representatives. These internal networking events would serve to increase awareness of the Centre and what it has to offer and to improve



communication amongst businesses, communities and government. Invitations to these networking events could also be extended to other regions as well to increase the opportunity for partnering on initiatives with other regions. Such events would provide rural businesses, entrepreneurs, and community members with an opportunity to extend their social network and build long-term and mutually beneficial business relationships.

The Regional Centre for Rural Development should be a state-of-art facility fully equipped with technology and space to hold meetings. These should also include video and phone conferences capabilities. Conference and board rooms should be accessible to rural businesses and community members on an as-needed basis.

### **7. Co-locate with Provincial, Federal and other economic development resources serving Rural PEI.**

The Centre should provide office space for program delivery officers from PEI Business Development Inc., Atlantic Canada Opportunities Agency, Province of PEI Department of Fisheries, Aquaculture and Rural Development Community Business Development Bureau and Community Business Development Corporation. Other potential rural service delivery staff could include staff of the Regional Tourism Association (RTA), the RDÉE Île-du-Prince Édouard and a Settlement Services Officer to assist in rural population growth by providing services to help immigrants to settle and integrate into the region. Offices should be staffed on a regularly scheduled basis so clients in the region are aware of when they can receive services in their rural area. The proximity of office locations from different organizations would allow program officers to communicate with other government agencies and departments enhancing the effective delivery to the rural businesses, entrepreneurs, and communities.

The Regional Centre for Rural Development should provide services to communities, community groups and associations to assist with development and implementation of community projects generating economic development in the region. Services could include:

- Community engagement and planning
- Project management – including concept development, identification of and application for funding, project implementation
- Coordination of research on various economic development challenges in the regions (immigration, human resources, foreign investment, etc.)

The REDO should take the lead role in working with communities and community organizations on economic development and collaborate with Provincial Community Development Officers, ACOA Program Delivery staff, and other funding partners to bring projects to fruition. The current Memorandum of Understanding between REDO's and RDÉE Île-du-Prince Édouard should be continued



to provide community development clients with francophone services and to explore other partnership opportunities.

## 8. Coordinate training opportunities for community groups in the region.

To strengthen the community spirit and facilitate its growth, there must be a significant investment in leadership, Board training, and mentorship of youth. Stakeholders have agreed that a new generation of volunteers and leaders must be developed to ensure the continuity of current rural development initiatives, as well as to engage more community members in creating and implementing programs essential for the sustainability of rural communities.

The Regional Centre for Rural Development should provide technology, space and coordination for delivery of training to rural business owners and community volunteers.

Community capacity building is a crucial component in strengthening community projects and volunteers. The Centre could coordinate training for community volunteers in areas such as meeting management, Board governance, leadership, communications, etc. This Centre would also be a natural fit as a host facility for a Rural Leadership Development Program designed to develop leaders to strengthen communities.

The Centre could also work with public, private and not-for-profit sector partners to facilitate learning programs that will assist communities in building the workforce they need to attract new businesses and employers.

The conference room(s) and equipment could play a central role in facilitating learning in Rural PEI.



## 12.0 SUCCESS MEASUREMENT

In order to know if you have met your strategic objectives an organization needs to have a clear picture of what success looks like. During the sessions with the Board of Directors of each of the Regional Economic Development Organizations the question was posed “How will you measure whether or not your organization has been successful in five years time.” Similar responses were given in each of the regions and can be summarized as follows:

- Improved demographic factors such as population and education and in some cases maintenance alone would signify success,
- Stronger and larger volunteer base in communities,
- Increased community engagement and increased number of partnerships,
- Increased number of development projects in the region,
- Economic spin-off from supported projects in the region, and
- Supported project are sustained in the long-term.

These measures are all very good methods of determining how effective a REDO has been in stimulating economic growth in their region, some however can be more directly attributable than others to the work of the REDO, while others may take a longer period of time to see any measurable results.



## **13.0 RESOURCES**

The lack of a long-term funding commitment within each of the regions, with core budgets only being approved on a year-to-year basis, has hampered good ideas and enthusiasm, and causes a certain level of frustration for the organizations when attempting to plan for the long-term. In some cases, a limited budget has also limited the ability for Managing Directors to focus their time and energy on planning as the funds do not exist to hire adequate staff to provide the direct service delivery. In other cases promotion of the organization in a proactive fashion has not been done because the REDO does not want to be in a position where they over promise or build up enthusiasm in a community and then are not able to deliver the expected services.

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## 14.0 NEXT STEPS

The REDOs as a collective group should review those projects and initiatives that were identified in more than one region or that could apply on a Rural PEI basis and determine what the role is for the REDOs in moving the initiative forward. For those projects where a REDO is the logical organization to champion the initiative, the group should select one REDO to take the lead.

The REDO should review the projects and initiatives identified specific to their region and evaluate them according to the criteria established for evaluation of opportunities as presented in section 8.0. An action plan should be developed by each REDO prioritizing the best projects, identifying the level of involvement of the REDO in the project/initiative (lead/facilitation/partner), and identifying other partners required to move the project/initiative forward.

Success measures have been identified by the REDO Board Members and are included in section 12.0. It will be necessary for each REDO to review the suggested success measures and to develop their own performance criteria. It will be important that the REDO selects performance criteria that are measurable and directly attributable to the actions of the organization.

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## **APPENDIX II: LIST OF ROUNDTABLE PARTICIPANTS**

## **List of Roundtable Participants**

### **Western Prince Edward Island**

Denton Ellis, O'Leary Area Development Corporation

Colin Arsenault, Tignish Initiatives Corporation

Clifford Bernard, Shellfish Assoc. of PEI

Anne Arsenault, Western PEI Tourism Association

Francis Morrissey, Western Gulf Fishermen's Association

Jan Cox, Alberton Business Association

Maxine Rennie, West Prince Ventures Ltd.

Janice Stewart, Career Development Services

Bobby Morrissey, Fabrication, Seacow Pond

Doug Fraser, Alberton Fisheries, Northport

Larry Stewart, Construction, WestPoint

Larry Arsenault, Elmsdale Service, Bookkeeping Service, Elmsdale

Leo Gaudet, Electrician, Tignish

Marvyn Webster, Farmer/Developer, Port Hill

Ralph Clark, Ravenwood Stairs, Alberton

Rod MacNeill, Export, Tyne Valley

Scott Harper, WEICan, North Cape

Dr. Gary Morgan, Veterinarian

### **Central Prince Edward Island**

Yvonne Cartner, Crapaud Exhibition Association

Gerald Dixon, Crapaud Exhibition Association

Maitland MacIsaac, International Children's Park, Scales Pond

Malcolm MacLean, Councillor, Town of Kensington

Norman Peters, Chair, North Shore Fishermen's Assoc.; Chair, Rustico Harbour Authority

Terry McGrath, Community of Hunter River

John Bernard, Community of Borden-Carleton

Ben Smith, Chair, Community of Victoria, Representative of Small Communities in Queens County on Federation of Municipalities

Mel Gass, Chair, Cavendish and Area Resort Municipality

Kent Croken, Community of Emerald, Representative on Festival & Events Committee

David Blacquiére, Community of North Rustico

Tracey Brown, Executive Director, Bedeque Bay Environmental Management Group

John Paquet, Prince Edward Aqua Farms, New London

George Campbell, Kindred Spirits Publication, Kensington

Glenda Birt, Home Place Inn & Restaurant, Kensington

Jeanette Arsenault, Cavendish Figurines, Gateway Village, Borden-Carleton

Judy MacDonald, Barachois Inn, Rustico

Matthew Jelley, Shining Waters, Cavendish

Paul Brown, Dunk River Industries, Middleton

Ron Clow, Cavendish Farms, New Annan

Ron MacDougall, MSE, Borden-Carleton

Stephen Stewart, Confederation Cove Mussels, Borden-Carleton

### **Eastern Prince Edward Island**

Becky Peterson, Community worker, Nature Activist, Bridgetown Area

Wade Williams, Georgetown Development Corporation

Sharon Riley, Community worker, Montague

Glen Saunders, Tourism Operator, Murray River

Sidney MacEwen, St. Peter's Harbour

Melody Beck, PEIBWA, Roma Board of Directors

Patsy Gotell, Community Development Activist, Island East

Jill Walsh, Chair, Wood Islands Development Corporation

Niall MacKay, Chair, Montague Waterfront Development Corporation

Alan Baker, Various Committees, Murray Harbour Area

Gerry Gallant, Chair Souris Waterfront Development Corporation

Heather MacMillan, Wood Islands – Tourism operator, community volunteer

Bob Brothers, Three Rivers Mobile Maintenance, Cardigan

Clive Sutherland, Machine Shop, Murray River

Doug Noble, Belfast Mini Mills

Doug MacLean, MacLean Ready Mix Concrete, Victoria Cross

Gavin Quinn, Quinn's Marine & Machine Shop, Cardigan

George Matheson, Service Industry, Heatherdale

John Sullivan, Aquaculture, Montague

Martinus Rose, Royalty Hardwood, Georgetown

Reg Trainor, M&M Resources (transportation), Village Green

Robert MacDonald, Atlantic Soy Corp., Belle River

## **APPENDIX III: KEY INFORMANT INTERVIEW GUIDE**



**PHASE III INTERVIEW GUIDE**  
**SERVICE DELIVERY IN RURAL PEI**



6. What services are you aware of that are needed but are not being provided to businesses and community organizations in the region(s) within your responsibility?
  - a. Why are these services not being provided?
  - b. What resources are required to deliver these services?
  - c. What organization/officer is best positioned to deliver these services?
  
7. What services are you aware of that being duplicated in the region(s) within your responsibility?
  - a. What organization/officer(s) are providing these duplicate services?
  - b. What organization/officer is best positioned to deliver these services?
  - c. What resources could be saved by eliminating this duplication of services?
  
8. What opportunities do you see for increasing the efficiency and effectiveness of service delivery in Rural PEI?

Appendix A

**Please read the entries for each section before filling out this document to help avoid overlapping responses.**

**Column A** -- For each entry, use only one of the two symbols to indicate your organization's role. Symbols: **L** = Lead Role; **C** = Cooperative/ Collaborative Role; Supportive/ information gathering/ distributing roles are not a key roles, please **Leave Blank**.

**Column B** -- Indicate level of importance to your organization where **1 = low** and **5 = high**.

	Role	Responsibility	A	B
			Your organization's role (L or C)	Level of importance 1 = Low      5 = High
<b>1</b>	<b>Business Development</b>			
	a) Business Referrals			
	b) Advocacy and Lobbying (business related)			
	c) New Business-planning, counseling & mentoring (clients only)			
	d) Existing Business-planning, counseling & mentoring (clients only)			
	e) New Business-planning, counseling & mentoring (potential clients)			
	f) Existing Business-planning, counseling & mentoring (potential clients)			
	g) Regional Business Promotion and Marketing			
	h) Business Retention and Expansion			
	i) Sector Development			
	j) Opportunity Identification (Business/Sector driven)			
	k) Business Intelligence			
	l) Business Prospecting (Recruitment)			
	m) Business Infrastructure Improvements			
	n) Business Skills Training			
	o) Business Workshops/Conferences			
	p) Entrepreneurship Promotion and Development			
	q) Business Financing - New Businesses			
	r) Business Financing - Existing Businesses			
	s) Project/Program Implementation (Business Focus)			
	t) Project/Program Leadership/Coordination (Business Focus)			
	u) Research Studies and Services (Business)			
	v) Other (specify _____)			

**PHASE III INTERVIEW GUIDE  
SERVICE DELIVERY IN RURAL PEI**



	Role	Responsibility	A	B
			Your organization's role (L or C)	Level of importance 1 = Low 5 = High
<b>2</b>	<b>Community Development</b>			
	a) Community Referrals			
	b) Advocacy & Lobbying (Community Related)			
	c) Community/Community Group Training			
	d) Community Groups - Planning, Counselling and Mentoring			
	e) Community Workshops/Conferences			
	f) Community Capacity Building			
	g) Communications & Information			
	h) Community Infrastructure Development			
	i) Development of Local Partnerships			
	j) Regional Technology Advancement			
	k) On-line Community Information: Bulletin Boards, Web Pages, etc.			
	l) Community Financing			
	m) Opportunity Identification (Community Related)			
	n) Community Leadership/Coordination			
	o) Project Implementation (Community Focus)			
	p) Project Leadership/Coordination (Community Focus)			
	q) Research Studies and Services (Community)			
	r) Other (specify _____)			
<b>3</b>	<b>Trade and Investment</b>			
	a) Training & Counseling			
	b) Mentoring			
	c) Research			
	d) Opportunity Identification			
	e) Data Collection/ Analysis / Reporting			
	f) Project Implementation (Trade/Investment Focus)			
	g) Promote Region (Trade Missions, Conferences)			
	h) Project Leadership/Coordination (Trade/Investment Focus)			
	i) Investment Prospecting			
	j) Studies and Services (Trade and Investment)			
	k) Other (specify _____)			

**PHASE III INTERVIEW GUIDE  
SERVICE DELIVERY IN RURAL PEI**



	Responsibility	A	B
		Your organization's role (L or C)	Level of importance 1 = Low    5 = High
<b>4</b>	<b>Planning</b>		
	a) Regional Strategic Plan		
	b) Community Development Planning		
	- Community Services		
	c) Economic Development Planning		
	- Local Engagement of Citizens/Community Groups		
	- Strategic Planning for Municipal Units/Sectors		
	- Regional collaboration for Economic Development Planning		
	- Inter CBDC collaboration for Economic Development Planning		
	- Inter REDO collaboration for Economic Development Planning		
	d) Zoning/Development Planning		
	- Zoning Bylaw Development		
	e) Regional Strategic Initiatives		
	- Engagement with , Municipalities, CofC, Private Sector, etc.		
	- Coordinate planning efforts		
	- Establishing Regional Priorities		
	f) Research Studies and Services - General		
	g) Data Collection/Analysis/Reporting		
	h) Policy & Program Input (Advisory)		
	i) Other (specify_____)		
<b>5</b>	<b>Communications</b>		
	a) Information Dissemination		
	- Public Sector Info Services		
	- Private Sector Info Services		
	- Other Information Requests		
	b) Other (specify_____)		

**PHASE III INTERVIEW GUIDE  
SERVICE DELIVERY IN RURAL PEI**



**Comments**

**Areas for Collaboration:**

**Areas of Concern:**

## **APPENDIX IV: LIST OF KEY INFORMANT INTERVIEWEES**

## **List of Key Informant Interviewees**

David Anderson, Resources West

Shane MacDougall, Central Development Corporation

Martina MacDonald, Active Communities Inc.

Maxine Rennie, West Prince Venture

Ron Holley, CBDC – Central

John Chambers, Active Communities Inc.

Brenda MacInnis, Canada Business

Rob Taylor, Service Canada

Bill Buell, PEI Department of Fisheries, Aquaculture and Rural Development

Brian Keefe, PEI Business Development Inc.

Brad Mix, PEI Business Development Inc.

Chris Jones, PEI Department of Tourism and Culture