

ruraldiversification.com

**Q: Where do we find the ideas
to grow our rural economy?**

For over twenty years Community Futures has been a driving force for building healthy, prosperous communities in rural Alberta. Our staff and volunteers work with communities across the province to develop and implement economic development and diversification strategies. Find out more at www.cfna.ca or by calling 403.851.9995

A: Right here at home.

Introducing RDI: Rural Diversification Initiative



Funded through Western Economic Diversification Canada

Diversification is one of the most important rural economic development strategies for the 21st century. In order to achieve this diversification, we need entrepreneurial people who have a creative approach and a clear vision for a sustainable future. So, where will we find these visionaries and their ideas? Right here. Rural Alberta is already home to all the innovation and drive we need – all we have to do is encourage it.



Introducing RDI: Rural Diversification Initiative

For over twenty years, Community Futures has nurtured rural diversification by working with communities, entrepreneurs, and businesses that want to grow and evolve. Now, we're introducing RDI: Rural Diversification Initiative, an important new initiative that has the potential to deliver significant economic gains through partnerships between communities and entrepreneurs.

RDI is based on the belief that, in order to be competitive, rural communities must build long-term sustainability, resiliency in the face of change, and a broad economic base with a variety of businesses and jobs. In order to do this, RDI will fund rural diversification projects that provide measurable economic benefits to rural communities and/or industries.

RDI is a funding grant of up to 60% of project costs for projects that have:

- A minimum size of \$100,000
- Clear, measurable economic outcomes
- Established partnerships with other organizations
- Strong private sector support

Who can apply?

- Private sector organizations
- Not-for-profit organizations
- Community organizations
- Municipal governments

Any organization interested in making an application for RDI funding must do so through their local Community Futures organization.

The project must demonstrate that it is broadly supported and that it has established strong partnerships among various stakeholders.

RDI is not a grant to business. Rather, it is funding for projects – either brand new initiatives or value-added endeavours to existing initiatives – that provide benefits to communities and/or industries.

If you have an idea for RDI, please contact your local Community Futures organization. A list of local Community Futures offices can be found at www.cfna.ca

What is rural diversification, and why does it matter?

In the simplest terms, rural diversification involves changing and growing local economies so that they no longer rely heavily on one particular industry. In Alberta, rural economies have traditionally been based on primary activities such as farming, oil and gas extraction, mining and forestry. If one of these industries experiences a slump, or even collapses, the local economy suffers extreme consequences.

Since diversified economies produce revenues from a variety of sources, they are far more resilient during economic downturns. Marketing to local, domestic and international markets means that sales will be less affected by any regional crises. When a primary industry, such as forestry, goes into a slump, secondary industries in the same field, such as wood manufacturing, may still be viable. And if there are several sources of jobs in a region, then having one industry fail doesn't create such dire economic repercussions.

How does it happen?

In the best case scenario, rural economic diversification happens naturally and organically. Take for example the town of Drumheller, which was able to capitalize on its fossil-rich environment and transform itself into a booming tourism destination, while still maintaining its farming and oil extraction industries.

Often, however, diversification is achieved only after careful planning and hard work. Communities that want to continue to succeed in the new economic climate must look ahead and make careful decisions about how to create a viable and sustainable future. Rural diversification is best achieved by focusing on:

Innovation: this can mean developing new products or services, creating enhancements within an existing industry – such as computerization – or using new technology or materials.

Human Capital: this is the knowledge, skills, and abilities of the people in your area, and it can be increased through education, training, and by attracting talented new people to the region. Increased human capital is linked to increased rural diversification.

Cluster Development: this can be defined as a geographic grouping of related companies or businesses – think of how IT businesses and their support services set up shop close to one another in high-tech “parks,” or how restaurants, gift shops and hotels spring up around a major tourist attraction.

How does RDI help drive it?

RDI provides funds to Community Futures organizations for economic diversification projects in Alberta. Its goal is to build communities that have long-term sustainability, resiliency in the face of change, and a broad economic base with a variety of types of businesses and jobs.

How does it work?

All funding applications must come through a Community Futures organization. Once an application is received, the CF office will work with you and your partners to determine eligibility and prepare the final funding submission. If the project is not eligible, the team will work with you to either re-structure the project or look for other sources of funding. The typical length of time between submitting an application and obtaining funding approval is between 2 weeks and 3 months.

What projects get funded?

Cluster Development

A cluster is a geographic grouping of linked companies. They can be joined horizontally – meaning similar firms in the same location, like antique dealers all on the same street. Or, they can be joined vertically, meaning firms in different stages of one industry grouped together – like hay compression plants set up near hay producers. Finally, they can be joined diagonally, where businesses offer distinct services but add value to each other, like the many activities available in a tourism area.

Productivity Enhancement

Productivity enhancement is linked to innovation. It could mean increasing productivity in a cluster by adopting new technology, using new materials or new processes, introducing lean manufacturing or industry training, or creating a business incubator project that allows different firms to share ideas, skills, equipment or services.

Import Replacement

This means replacing imported goods or services with locally made goods or services. It could involve “buy local” campaigns, creating connections between local suppliers and local businesses, or attracting new businesses to fill gaps in local manufacturing or food production.

Development of New Markets

This could include working with a cluster to develop new export markets, or to develop new markets in targeted sectors.

Innovative Access to Capital

This could include the development of angel investor networks, creating programs that encourage innovative funding for business, or providing innovative access to growth capital.



RDI at work

South East Alberta Technology Strategy

A group of partners has been working to develop the technology sector in south eastern Alberta since 2005. They started with a Business First Technology Incubator pilot project, then developed a technology strategy, which they will implement over the next three years using funding from RDI. Key objectives include: increasing the number of well-trained individuals working in the technology sector, increasing investment in the sector, increasing the management capacity of technology companies, and building on new technology-related opportunities.

Partners include: Community Futures Entre Corp, Medicine Hat College, Province of Alberta, Auto-Star Compusystems, the Business Link, and Redtech Inc Incubator.

Supporters include: the Canadian Centre for Unmanned Vehicle Systems, Val-U-Soft, City of Brooks, City of Medicine Hat, Accessible Accessories, and The Litebook Company.

Building Tourism Clusters in the Canadian Badlands

The Canadian Badlands Ltd is a partnership of 52 rural municipalities working together to make the Badlands region in southern Alberta a highly recognizable tourism destination. This would diversify a region that has historically been economically challenged and reliant on oil, natural gas, and agriculture.

Activities for the project include: developing an inventory of tourism experiences; identifying “clusters” of tourism experiences; providing workshops and one-on-one facilitation on topics related to tourism marketing; pitching media tours for promotion and awareness of the region; and marketing the new tourism “clusters”.

Partners include: Community Futures Big Country, Community Futures Wild Rose, Community Futures Chinook, Chinook Country Tourist Association, Medicine Hat Tourism, SouthGrow Regional Initiative, Palliser Economic Partnership, EnCana, Alberta Municipal Affairs and Housing, Drumheller and District Chamber of Commerce, and Canadian Badlands Ltd.



Rural Alberta. A place where anyone with a good idea and the will to work can make great things happen.

